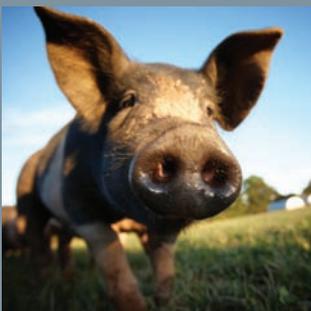
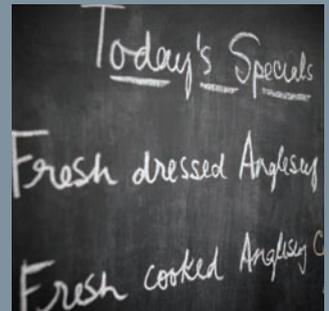




Food for Wales, Food from Wales 2010 | 2020

Food Strategy for Wales



‘Wales is rapidly gaining a credible, national and international reputation for its innovative food and drink and hospitality sector’



FOREWORD

Elin Jones AM
Minister for Rural Affairs

Food is a basic necessity for us all, as well as a key industry. It creates vital employment and is critical to our security and wellbeing. It is a source of robust health and a celebration of culture. Wales is rapidly gaining a credible, national and international reputation for its innovative food and drink and hospitality sector. Thanks to our producers, our unique geography, climate and farming practices, Wales can boast of a range of high quality foods, from our iconic Welsh lamb and beef to cheeses and Welsh seafood. The food and drink industry is important to the economy and the people of Wales; the UK agri-food sector contributes up to 7% (£79.4 billion) of UK Gross Value Added. Through careful informed planning and working together it is vital that we increase this and I have every confidence that we can build on our success achieved so far to ensure a thriving, developing industry in the years to come.

There are complex and cross cutting issues around food, such as making sure everyone continues to have access to the food they need, which requires an economically and environmentally sustainable industry capable of withstanding global pressures and meeting the challenges that climate change presents us with. Food issues are key to us all as consumers, throughout the industry, and as a Government. Reconnecting with food and how it's produced is a fundamental message that reaches out to all those engaged in the future of food supply in Wales. This Strategy sets the overall direction – it cannot deal in detail with every area of policy it will affect. As Minister for Rural Affairs for the Welsh Assembly Government I am keen for Wales to do the best we can to ensure a sustainable food system which meets our economic and ecological priorities. To achieve this we need to reach out to all parts of Government to ensure we work together to share agendas and make better connections.

The food chain accounts for 31% of greenhouse gas emissions within the EU (17% of total Welsh emissions), and we all have a part to play in addressing these issues. Working together, we can look to readdress these imbalances by looking to source food locally, eat seasonally, and reduce food miles; consequently reducing carbon emissions. We also need to look to reduce our food packaging which contributes to waste and landfill and increase the creation of biodiverse habitats for wildlife.

To outline my commitment to this overarching Food Strategy for Wales I asked the Food and Drink Advisory Partnership (FDAP) to work with officials from my own department and across the Assembly Government, as well as with industry and consumers, to address how best to balance the challenges of increased food production and energy needs with the need to protect our environment for the immediate and long term future.

This Strategy sets out the Welsh Assembly Government's vision for the future of food for Wales and from Wales, and outlines our clear commitment to the key basic principles of Sustainability, Resilience, Competitiveness and Profitability. The Strategy represents an ambitious step-change by incorporating a greater acknowledgement of the wider food system into how we best direct industry. Co-operation, collaboration and industry involvement will be key to the success of our vision, which is why we have engaged closely across all Ministerial portfolios, working with my colleagues in health, finance, enterprise, education and sustainability to develop a cohesive approach that is integrated across all areas of work.

This agenda cannot be driven by Government alone. There is already an enviable record of partnership working in the Welsh food and drink sector and it is my firm belief that through continued cooperation the industry has a bright future and the capacity to drive forward fundamental changes that will secure improvements in the industry, as well as safeguarding the sustainable production of food for the people of Wales today, and for generations to come.

We have taken this ambitious step-change together. I hope now that all those who contributed will continue to engage with us, to make sure that the implementation plans that follow this overarching strategy represent the best possible way forward.



Elin Jones AM
Minister for Rural Affairs

FOREWORD

Dr. Haydn E Edwards

Chair of the Food and Drink Advisory Partnership



This Strategy has been developed in close working between the Food and Drink Advisory Partnership (FDAP)¹ and the Welsh Assembly Government. The BRASS² team was commissioned to assist the process by gathering evidence to advise the Welsh Assembly Government Minister for Rural Affairs on the future direction of the industry. There were numerous meetings and workshops held to facilitate the development of the Strategy between the Partnership and officials. The support for the Strategy from Ministers' across Government is a measure of the strategic importance of our food industry, and will remain crucial for its implementation. The Strategy was subject to a full and extensive public consultation, which included regional stakeholder events and public meetings, resulting in over 100 responses being received.

As Chair of the Partnership I am grateful for the outstanding work, advice and contributions of all those involved, and the obvious enthusiasm of all concerned to ensure the best possible food supply system that is so crucial to the wellbeing of all the people of Wales. I also appreciate the commitment to encourage the adoption of a wider and integrated approach to food, because ultimately this will give both our industry and us all the best long term future.

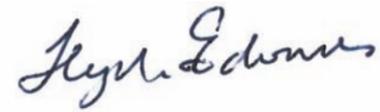
The focus is on food which includes the interests of processors, retailers, food service work, as well as the primary producers, whose continuing success and development is key to the future of the industry. This Strategy relates directly to the Welsh Assembly Government's *Farming, Food and Countryside: Building a Secure Future (May 2009)* document which outlines the policy direction to secure a sustainable future for the farming food and land based production industries and the Welsh countryside environment through to 2020. As such, this Strategy provides a closer steer for those existing action plans and sets an ambitious and challenging direction for future implementation. This Food Strategy also relates to *One Planet: One Wales (2009)* and *Our Healthy Future (2009)*, and in this respect it reaches out wider to several areas of society and the industry as well as various Welsh Assembly Government departments – in health, education, training, economic regeneration and more who have all been engaged in developing the Strategy.

The direction here is radical and faces up to the challenges of ensuring that people have access to the affordable and healthy food they need whilst ensuring that this does not impact adversely on the natural environment. We need to be focussed in order to identify and make the best of opportunities as they arise. The challenges are to be managed in the context of our position in the UK – and as part of an EU Member State and the increasingly global market that operates in the food supply chain.

¹ See Appendix 1 for details

² See Appendix 2 for details

The Strategy is designed to raise the profile of food issues for all of us. I trust that the Strategy will enhance the debate on the priority areas and place more emphasis on the theme of building connections. I am confident that we will make the most of the many strengths that we have to ensure an increasingly viable and sustainable food industry for the long term future. Whilst we can celebrate the progress made so far, in a changing world we need to be in a position to face new challenges. This Strategy prepares us for that future.



Dr. Haydn E Edwards

Chair of the Food and Drink Advisory Partnership

EXECUTIVE SUMMARY

Expectations of the food system have in the past been largely addressed by focusing on the provision of bulk quality foods at a reasonable price to as many people as possible. However, the environmental, health, and social impacts of our food system have become increasingly evident and concerns about the security of our food supply have grown.

Resource pressures on land, water, energy, population, and biodiversity are further exacerbated by the enormous challenges of climate change adaption and mitigation, and competition for resources. Whilst these issues may appear largely removed from domestic food issues in Wales, our food sector must account for and respond to these developments in order to maximise its own vitality, as well as remain relevant to its lifeblood, consumers, both in Wales and beyond.

This Food Strategy takes account of pressures and complexities to promote the development of the sector over the next ten years, and to maximise the opportunities that will benefit Wales in economic, environmental and social terms.

Overview of the key messages

This Food Strategy for Wales – *Food for Wales, Food from Wales 2010-2020* – sets out a wide ranging vision of the place of food in Wales, and to provide a means whereby a broad range of food related issues may be addressed. It is founded on principles of sustainable development, which include economic, social and environmental aspects of the production and consumption of food.

The Strategy outlines a clear direction for the Welsh food industry to grow in a sustainable and profitable manner. It takes into consideration crosscutting issues such as health, food culture and education, food security, environmental sustainability and community development to provide the basis for an integrated approach to food policy in Wales.

Such an integrated approach is also intended to build resilience in the food system, to encourage a stronger food economy in Wales and, hence, to enhance the capabilities and capacities of food businesses to compete effectively both at home and abroad.

Although the new Food Strategy sits within the market development aspects of our '*Farming, Food and Countryside*' policy, it by necessity addresses the wider role of food across many other areas that need to be acknowledged if we are to develop these markets. In that way it also takes on board both '*Our Healthy Future*' and '*One Planet One Wales*'.

This Strategy sets the overall direction – it cannot deal in detail with every area of policy it will affect. This Strategy will however act as a common framework to inform our existing food action plans, such as those for horticulture, red meat, organic, dairy, local sourcing, food tourism, and fisheries, and act as a basis for a delivery plan to implement our aspirations. This overarching Strategy is for ten years, but delivery plans will be set over shorter timescales.

This Strategy – and the delivery plan that will follow to put it into action – lays down a challenge for both Government and industry. This agenda cannot be driven by Government alone. There is already an enviable record of partnership working in the Welsh food and drink sector. Through continued cooperation with the industry we can ensure a bright future and the capacity to drive forward fundamental changes that will secure improvement in the industry, as well as safeguarding the sustainable production of food for the people of Wales today, and for generations to come.

Current knowledge about the Welsh food system

The Welsh food system is highly integrated into UK and European systems, and is profoundly influenced by a wider global context. This calls for an integrated policy approach so that we can all contribute to developing a successful and vibrant industry to enhance the well-being of all our citizens, the economy and our natural environment.

Three production categories: beef, lamb and dairy, continue to dominate. Whilst these sectors provide three quarters of Welsh agricultural output there are further opportunities for their development, for different food supply combinations, and for alternative agricultural production, such as horticulture.

Local systems of production, processing and distribution co-exist with an export-led sector dominated by large firms that control substantial processing facilities. How both these systems are integrated can be important in developing further markets for producers, and in improving the supply of raw materials to processors.

Structure of the Food Strategy: Drivers for change

The Food Strategy is centred on an overarching theme of building connections and capacities. This Strategy outlines four goals and our clear commitment to the principles of:

- Sustainability,
- Resilience,
- Competitiveness, and
- Profitability.

These four key goals are principles by which any interventions will be guided.

To focus the direction of the Strategy, and to aid its subsequent implementation, the aspirations throughout this Strategy are divided into five key drivers for change. Intervention within each of these five key drivers must be tested against our four goals.

The drivers for change are listed as follows, along with the main focus of the recommendations for each driver:

- **Market Development**
 - Improved marketing to develop domestic and export markets;
 - Develop stronger Welsh branding;
 - Improving market access and stimulating local and regional markets; and
 - Promoting entrepreneurial initiative.
- **Food Culture**
 - Enhance citizen and consumer empowerment through better knowledge;
 - Promote sustainable demand management; and
 - Link food culture and marketing.
- **Sustainability and well-being**
 - Develop ecologically efficient production and supply chains;
 - Reducing the impact of food waste; and
 - Investment in R&D for sustainable technologies and waste management.
- **Supply Chain Efficiency**
 - Supporting entrepreneurship;
 - Skill development throughout the food supply chain;
 - Investment in food chain R&D and to promote efficient knowledge sharing;
 - Support for innovation and niche product development; and
 - Supporting collaborative partnership.
- **Integration**
 - Making the Food Strategy work across all levels of Government;
 - Contributing to changing in the regulatory frameworks; and
 - Employ 'Soft' approaches to change.

The next steps: Implementation

Our future direction and the key interventions are agreed within this Strategy. A delivery plan will be developed in partnership with industry to implement it and to drive forward the changes needed. Key components of this implementation include the need to (a) develop a robust and transparent evidence base; (b) work closely with other indicator development processes; (c) institute a strategy renewal process; and (d) work in partnership with industry and other key stakeholders to identify their role in delivery.



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CHAPTER 1 Introduction

1. This Food Strategy focuses on both Food for Wales and Food from Wales, and looks to identify and address the issues around food that face all of us, including how best to balance the need for increased food production with the need to protect our environment for the immediate and the longer term future. It provides direction for the next ten years for all those involved to achieve the food sector's potential as a key economic, environmental, social and cultural asset. Of course, even a ten year Strategy must consider the global challenges and implications that face us all over longer timescales, so factors such as climate change and future energy supply are considered.
2. This Strategy provides the direction and capacity for policy makers, businesses and other stakeholders to both take advantage of the new opportunities on offer but also to prepare for and meet the complex challenges ahead.
3. This is an overarching directional Strategy which has been developed in collaboration with industry and the public. It fits in with the policy direction of the *One Planet One Wales, Our Healthy Future* and *Farming, Food and Countryside*: any actions arising will be agreed and planned in partnership between the industry and Government. There are existing plans identifying actions to be undertaken by the industry in partnership with Government – on Local Sourcing, Food Tourism, Fisheries, Red Meat, Dairy, Horticulture and Organic sectors. This Strategy will direct future revisions of our existing action plans, and be supported by the development of an implementation plan which will also set out key milestones by which success may be monitored and evaluated.

Raising the debate

4. The consultation on this Strategy asked for views on the direction suggested. The actions arising will now be for the industry in partnership with Government to take forward. Now that we have agreement on the main priorities we can build on the partnership that has been put in place over the last few years. We are already addressing and redeveloping our food culture but to continue with this work and in recognition of changing contexts, a step-change in the policy approach is necessary now. This change will be brought about through the theme of the Strategy which is Building Connections and Capacities.

This Food Strategy presents:

- a vision for the future of the food sector;
- the changing context for food, globally and within Wales;
- a set of five strategic drivers and accompanying principles;
- a series of policy interventions and associated actions to promote food both domestically and beyond linked by the central theme of building connections and capacities; and
- proposals for a robust implementation, monitoring and reappraisal system to ensure its relevance to ongoing challenges for the sector.

The structure of the Food Strategy: Food for Wales, Food from Wales 2010 - 2020

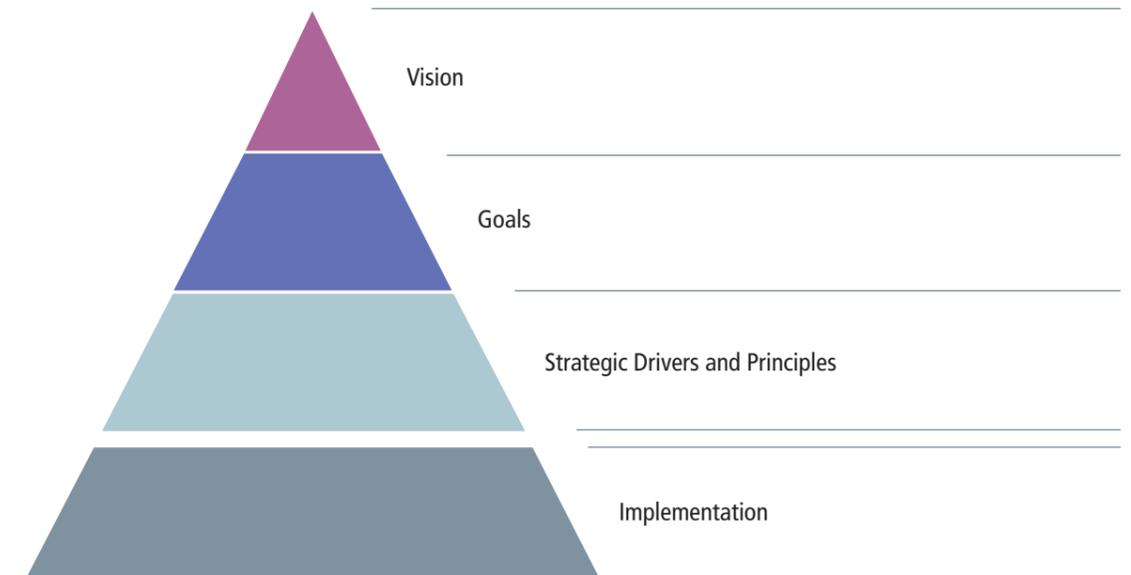


Figure 1: The Structure of the Food Strategy

5. The Welsh Assembly Government has developed this Strategy in conjunction with the Food and Drink Advisory Partnership (FDAP) working with the industry.
6. Publication of the draft Strategy was followed by intensive and wide ranging consultation within Government, the industry and wider society, which included a series of regional stakeholder events and public meetings. This strategy will provide direction for future decision making and implementation.
7. The Food and Drink Advisory Partnership (FDAP) will have a responsibility to support the development of an implementation plan for the Food Strategy. This will include setting milestones to monitor progress, and liaising with all relevant Ministers and stakeholders.
8. There are more details about the FDAP's role and membership at Appendix 1.

‘Wales is now frequently identified by reference to its high quality, natural and wholesome food’



CHAPTER 2 A Vision for Food in Wales 2020

A vision of how the industry could look in 2020 following adoption of the direction set out in this Strategy.

In 2020 we can say clearly that over the last ten years we have witnessed a significant improvement in the reputation of, and value attached to Welsh food following the step change in our approach to food policy. Wales is now frequently identified by reference to its high quality, natural and wholesome food. Consumers increasingly look to source these products from a wide selection of outlets. We can see that the planned improvements in the quality and diversity of bulk foods has been achieved – making good healthy food more accessible and desirable for all. In international markets too, food produced here enjoys an increasingly high market share.

These improvements have been achieved through the efforts of farmers, fishermen, food processors, retailers, caterers, health professionals, educators and Government working together towards a shared goal with a clear understanding of what is needed. Government has facilitated the sharing of ideas and best practice to improve uptake of healthy food options. The consultation in 2010 opened up a wider debate which served to make policy more integrated across policy areas outside food production and processing. The decision to create and agree an overarching industry strategy from a wider food ‘system’ position was a key factor in that success. Through this collective effort, food is fully integrated into our thinking and our actions, on issues as diverse as culture, health, inequality, natural and built landscapes, waste, education, transport, energy, and the economy. Food is also embedded into our long-term approach to economic resilience and security.

Consumers are increasingly appreciative of our products, and our producers are far more focussed on their nutrition needs as part of a balanced diet. We have a strong food sector which trades to economic advantage on the global market and continues to add increasingly to the economy of Wales through increased export revenue and employment.

The tourism sector is stronger as a result of the attraction of such an agreeable food experience. Communities are benefiting as they contribute to meeting the need for more food for consumers. Food producers have significantly increased production and are proactive protectors of the environment. There is a clear recognition of the health benefits attached to greater food consciousness on the part of consumers, promoted by both educational and food procurement initiatives. Food is a central part of education and there is strong evidence that many more people of all ages are attaining qualifications. All those working in the supply chain are benefiting from the enhanced skills sets now at our disposal.

The Food Strategy continues to be relevant and flexible to change, taking advantage of the existing evidence base for evaluation and review as well as the genuine and close partnership working that has become central to the delivery of developments as circumstance and policy drivers change.

Expectations of the food system have radically changed. Consumers are increasingly demanding more socially and environmentally responsible food products as well as greater value and variety in what they consume. Our restaurants are offering very high standards of locally sourced products on their menus which proudly boast the provenance for all to see. Domestically, food is recognised as being an important provider of economic growth but also as being central to our culture and our health. Food is seen as an essential ingredient of a sustainable, healthy, profitable, and equitable society.

CHAPTER 3

Why do we need a Food Strategy?

To provide:

- a strategic vision that accounts for Wales's distinctiveness in terms of production, consumption, governance, social and cultural issues;
- a summary and consideration of the pressures that will impact on food over the next decade;
- a framework to help policy makers, businesses and other stakeholders confront and deal with the resultant complexities;
- encouragement to the food industry to take advantage of new opportunities; and
- coordinated policy direction for Government and industry to meet these challenges together.

1. Expectations of the food system have in the past been largely addressed by focusing on the provision of bulk quality foods at a reasonable price to as many people as possible. Over recent years, however, broader and more complex demands on the food system have come to the fore. The environmental, health and social impacts of our food system have become increasingly evident and concerns about the security of our food supply have grown³.
2. Experts agree that we have entered a period of complexity in the food system brought on by global resource pressures on land, water, energy, population and biodiversity⁴. We also face the challenges of climate change adaptation and mitigation. Our food sector must account for and respond to these developments in order to maximise its own vitality, and to continue to be able to supply consumers with the food they need.
3. Consumers are increasingly demanding more socially and environmentally responsible food products as well as greater value and variety in what they consume. The health impacts of food will continue to grow in importance and provide opportunities for all parts of the food sector. At the same time, the sensual and social enjoyment of food products will remain important to the ways that we consume food.

³ See for example at the UK level: Cabinet Office (2008): *Food Matters*, and Crown Copyright, London (2010): *Food 2030*

⁴ Ambler-Edwards; Bailey; Kiff; Lang; Lee; Marsden; Simons; Tibbs; (2009). *Food Futures: Rethinking UK Strategy*; Chatham House, London; DEFRA (2009). *Food 2030*; Crown Copyright, London (2010); DEFRA (2010): UK *Food Security Assessment: Detailed Analysis*, August 2009; updated January 2010; IAASTD report, World Bank (2009): *Agriculture at a Crossroads*; Welsh Assembly Government (2009): *Farming, Food and Countryside Strategy*.

4. This Strategy promotes the distinctiveness of Wales in terms of its food production base, natural assets, cultural heritage, consumer demands and social priorities. At the same time the Strategy provides a focus on the powers needed for policy development and legislation that can be deployed to promote the Strategy's vision and goals in a coordinated and effective manner.
5. This Strategy is founded on the belief that the food system requires a holistic approach that extends to all aspects of food production and consumption. It is presented as a strategic approach applicable across Government, rather than being confined to departmental portfolios and responsibilities, and is based on building an inclusive and collaborative relationship with all parts of the food sector⁵. This Strategy accepts that our direction and approach to the food sector must embrace the challenges and opportunities of our wider food system.

a) The global context

6. It is thought that growth in world population over the next 20-30 years will lead to an increased demand in food supply⁶ that will have consequent effects on input as well as output commodity prices. Pressures on already scarce resources such as oil, water, biological resources such as fish, and fertile agricultural land are predicted to increase, and food security has become a central concern to governments across the world⁷. This will increase the need to manage our use of these resources carefully.
7. These demand and resource pressures combined with the challenges posed by climate change⁸ add uncertainties over global responses to them. As a result, we are likely to be entering a period of significant change, with potential for high supply volatility and pressure to increase food prices. The twin issues of food sustainability or security and the need to develop sustainable food production and consumption systems for the well being of our people will be key concerns for the coming decade. It is important that we recognise that there are potentially conflicting issues, and that we strike an appropriate balance. Some actions though well intentioned may have unintended consequences and we must anticipate them where we can. An example of this could be the drive to diversify production resulting in rain forest clearance to answer demands for animal feed. It is important to consider the carbon footprint in the global context as well as the regional and local.

⁵ Note that the food system is distinguished from the food sector. The food sector refers to the commercial sector that encompasses economic activities of production, manufacturing, distribution, food preparation, retail and food service. The food system includes the food sector and the impacts of various components of the sector on the natural environment and the levels of health and well being for all our people.

⁶ World Bank (2009), *Implementing Agriculture for Development: World Bank Group Agriculture Action Plan 2010-2012*; World Bank, Washington DC; and FAO (2009) *How to feed the World in 2050*. The FAO has forecast that the increase of food for human consumption (not including food used for biofuels) must be in the order of 70% from the 2005/2007 level to meet an expected equal increase in demand. The demand projection must itself be regarded with some caution since it includes assumptions about diet, diet change, and changes in per capita consumption in societies that become more affluent (See also DEFRA: *UK Food Security Assessment: Detailed Analysis, August 2009; updated January 2010*)

⁷ See for example UK government studies of food security in DEFRA, (January 2010): 'UK Food Security Assessment: Detailed Analysis'; analysis of UK trade statistics

⁸ See Welsh Assembly Government (2010): *Land Use Climate Change Report*; available at <http://wales.gov.uk/docs/drah/publications/100310landuseclimatechangereport.pdf>

World Food Supply: Competing and Changing Demands

Recent World Bank analysis suggests that global food demand should increase at a lower rate over the next 25 years in comparison to the last couple of decades. Increase in farmed land, and improvements in yield and agricultural techniques, are expected to lead to increased production. Continued improvement, however, depends on investment in technology and in infrastructure to support farm technology application and the storage and distribution of commodities. The World Bank also points to the challenges posed by climate change and to the as yet uncertain demands of a major switch to using bio-fuels.

The impact of bio-fuels on potential food supply

Because of pressures on global energy supplies, various governments have supported the expansion of bio-fuel production. This means that in some areas there has been a shift from food to fuel production. In the United States, for example, 100m tonnes of grain are expected to be used to make ethanol for cars in 2010, a steep increase from the year 2000 when the US total was less than 20m tonnes. Figures from the USDA and the UN suggest that this amount of grain could feed around 350m people (Earth Policy Institute, 2010).

Changes in world consumption patterns

Global meat consumption has increased from 44m tons in 1950 to 260m tons in 2007. This translates to an average of 17kg per person per annum (pppa) in 1950 and of 39kg pppa in 2007.

Patterns of food consumption have become more similar across the world, shifting towards higher-quality and more expensive foods such as meat and dairy products. In developing countries meat consumption has increased from 10kg pppa in 1964-66 to 26kg pppa 1997-99, and is projected to reach 37kg pppa by 2030. Similarly milk and dairy products consumption has increased from 28kg pppa in 1964-66, to 45kg pppa in 2009, and is projected to reach 66kg pppa by 2030 (FAO, 2009).

(Sources: Global Economic Prospects 2009, World Bank; FAO; USDA; UN; and the Earth Policy Institute, 2010)

b) Wales in the UK context

8. Whilst changes in the global food system are important, it must be recognised that the most immediate and direct influences are local, British and European. This can be clearly seen in trade between nations and/or regions of the UK with considerable cross-border flows of livestock, fish, unprocessed and processed foodstuffs⁹. Food and agricultural policies are strongly influenced by the European Union.
9. In keeping with the ambitions laid out above, the Food Strategy regards the food system in broad terms. Relevant components of the system, therefore, include state support for agriculture (including CAP) and fisheries (CFP), business and skill development, import and export trade, processing and manufacturing, distribution, food preparation and food service. The impacts of the food sector and of food policy on the natural environment, on attitudes towards food, on consumer health, and on the role of food in community development are also considered to be important features of the food system.

⁹ See research conducted by DTZ Consulting into Value Added Supply Chains on behalf of the Welsh Assembly Government (2009)

10. The food system envisaged in the Strategy is complex (as represented in Figure 2)¹⁰. It is highly integrated into the food system of the United Kingdom and the European Union in commercial, social and policy terms. It is difficult to analyse Welsh food in isolation due to the interaction of differing components of the systems in the UK and Europe. Whilst recognising these limitations, the following outline illustrates the production capability and outputs, and contributions to employment and economic value of the food system.

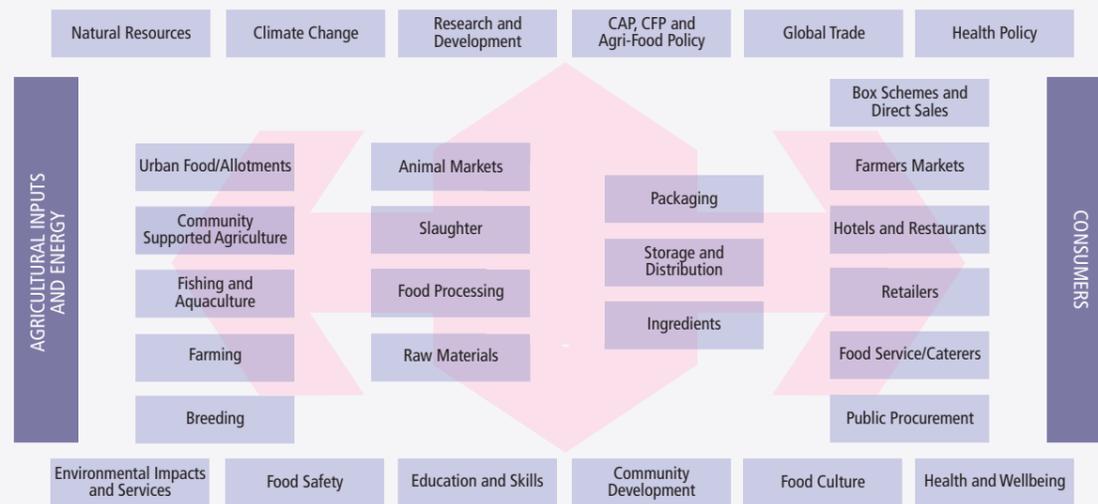


Figure 2: The Food System: Components and Impacts

Welsh Food Supply and the UK

The UK food supply system is dependent on a diverse range of sources. A spread in food supply sources may be considered as an important strength: endowing the food system with resilience against failures or interruptions in supply from any one source. However, the system is also vulnerable to a wide range of potential threats such as interruptions in energy supplies, extreme weather events, global pandemics, and economic disruption.

In 2007 around 50% of UK food (by farm-gate value of unprocessed food) was sourced domestically, with the Netherlands, Spain, France, Germany, Ireland, Denmark, Belgium and Italy accounting for another 25%. The remainder was supplied from countries across the globe, including others in Europe. Most of this travelled over land.

The supplies of imports into the UK also vary according to sector. For example, in 2007 the UK was 80% self-sufficient in meat and meat products, 84% in dairy products and birds eggs*, 50% in cereals and cereal preparations, but only 19% in fresh fruit and vegetables

(Source: 'UK Food Security Assessment: Detailed Analysis'; DEFRA, January 2010: analysis of UK trade statistics; *Note that Dairy products and birds eggs are counted as one trade classification in official statistics.)

¹⁰ Figure 2 represents the main components, influences on, and impacts of, the food system. It does not attempt to indicate the relative importance or the direct relationships between the different factors included but acts as an illustration of the scope and complexity of the food system as envisaged in this Strategy.

(c) Primary production output and capacity

- The value of agricultural production fluctuates in response to changing global demand and currency movements. However, a snapshot in 2009 showed that gross agricultural output in Wales totalled £1,043 million (excluding store animals).
- Agricultural production continues to be dominated by beef, lamb, milk and other dairy products, which have accounted for around three quarters of all primary agricultural production for the last few years. Over the ten years to 2007 the number of agricultural holdings engaged in beef, lamb and dairy production have each declined. In 2008 the number of milk producers was half that in 1998 although the decline in milk production was a much smaller percentage of the total over the same period. The number of specialist pig, poultry, and horticultural holdings have fluctuated during this period but total numbers remain small (e.g. 34 pig, 328 poultry, and 133 horticulture in 2008)¹¹. Other commodities have been present to varying levels, but have either remained as small contributors to the total output or have shown a substantial decline during the second half of the twentieth century¹². The area of arable crops¹³ in 2007, for example, is a third of what it was in the late 1950s. *It should be noted that although horticulture represents low area it represents a potential high value.*

Welsh Agricultural Output, 2009 (provisional)

Category	£ million	Percentage of Total
Milk & Milk Products	330	29%
Finished Cattle	207	18%
Sheep and Lambs	204	18%
Poultry and Eggs	78	7%
Finished Pigs	4	0%
Total Cereal	15	1%
Horticulture and Potatoes	33	3%
Capital Formation	51	5%
Other Agricultural Activities*	121	11%
Store Cattle & Sheep	90	8%
Total	1,133	100%

Source: Aggregate Agricultural Output and Income 2009, Welsh Assembly Government.

* Other agricultural activities refers to 'other livestock', other crops', clip wool, undertaken by the farmer, woodland sales and 'inseparable secondary activities'.

¹¹ See *Welsh Agricultural Statistics* available from *Welsh Assembly Government*

¹² See *Rural Development Plan for Wales, 2007-2013: The Situational Analysis*, Welsh Assembly Government, 2008

¹³ See *Land Use Climate Change Report*; LUCGC, Welsh Assembly Government, 2010

Fisheries Primary Production and Capacity

- 13. The food production element of the fishing industry is divided between commercial sea catching; intertidal; aquaculture; and inland fisheries. It varies in terms of scale and importance: whilst Wales leads UK seabed mussel production, there is only a niche position for oyster. It is widely believed that fishing contributes significantly to the tourism sector; however, there is insufficient robust data available to confirm its contribution in this regard.
- 14. A large percentage of landings are made into Milford Haven. Traditionally the majority of the Welsh fleet target shellfish within six nautical miles, with brown crab, scallop, whelks, lobster, spider crab and prawns by far the most prevalent species. Vessels registered outside of Wales but landing into Welsh ports target soles, monkfish, nephrops and rays. Over 90% of the catch is currently exported.

Total landing volume and value of fish and shellfish landed into Wales 2007-2009

	2007	2008	2009	Total
Live weight landed (tonnes)	6,900	11,800	9,200	27,800
Value of landings (£)	10,800,000	10,600,000	9,100,000	30,500,000

Source: Marine Management Organisation.
Wales refers to vessels registered to Welsh Ports

Red Meat Primary Production and Capacity

- 15. The amount of meat production has varied, showing in the case of beef, the effects of the Foot and Mouth epidemic. Livestock production and dairy products continue to maintain or increase their proportion of Welsh primary production.

Livestock Meat Production (thousand tonnes)

Category	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Beef & Veal	11.3	21.2	37.9	43.5	44.7	47.9	45.0	44.1	42.2	42.2
Mutton & Lamb	73.1	53.7	71.7	75.6	80.6	85.6	82.6	80.0	81.2	66.9
Pig Meat	2.1	1.8	1.3	1.0	1.1	1.3	1.5	2.0	1.8	1.7

Source: DEFRA. Note that these are estimated quantities of meat produced from animals slaughtered in Wales. Meat from animals reared elsewhere may be included in the data and meat from animals reared in Wales but slaughtered.

Dairy Primary Production and Capacity

- 16. Milk production capacity has declined as the number of milk producers has been steadily decreasing over the last decade.
- 17. Prior to 2004-05 milk production in the UK followed the quota limit very closely (separate Welsh production figures started to be available in 2004-05). Since then while the Welsh quota has slightly increased, production has fallen and is now around 5% below the 2004-05 level. During the same period the number of farms in Wales that held quota fell by around 17%.

Milk quota holders, total milk quota and milk production, 2004-5 to 2008-9
Relative values with 2004-5 equals 100

	Quota Holders	Total Quota	Total Production
2004-5	100	100	100
2005-6	95	99	99
2006-7	91	101	97
2007-8	86	101	97
2008-9	83	103	94

Dairy trends with 2004-5 equals 100



— Quota Holders
— Total Quota
— Total Production

(Source: Rural Payment Agency)

(d) Employment and added economic value in agriculture and the food sector

18. Gross Value Added (GVA) is the main measure of a Country/region's economic output. Latest data suggests that the direct contribution of the agricultural industry to total GVA in Wales was less than 1% in 2008. The agricultural industry will also have an indirect impact on GVA in Wales through, for example, the haulage, processing and retail sectors.
19. The food and drink manufacturing sector contributed 2.4% of total GVA in Wales in 2008, this compares to a GB figure of 1.8%. There were approximately 23,000 employee jobs in food and drink manufacturing sector in 2008, accounting for 1.9% of all employee jobs in Wales. The majority of the businesses operating in the food processing and manufacturing sector in Wales are classed as Small & Medium Enterprises (SMEs), with fewer than 10% of businesses classed as large companies (250+ employees). However, while relatively few in number, these large companies account for over half of the 23,000 employee jobs in the sector. In addition to the manufacturing sector, a proportion of GVA and employment in the hotels & restaurant and retail sectors will also be food related.

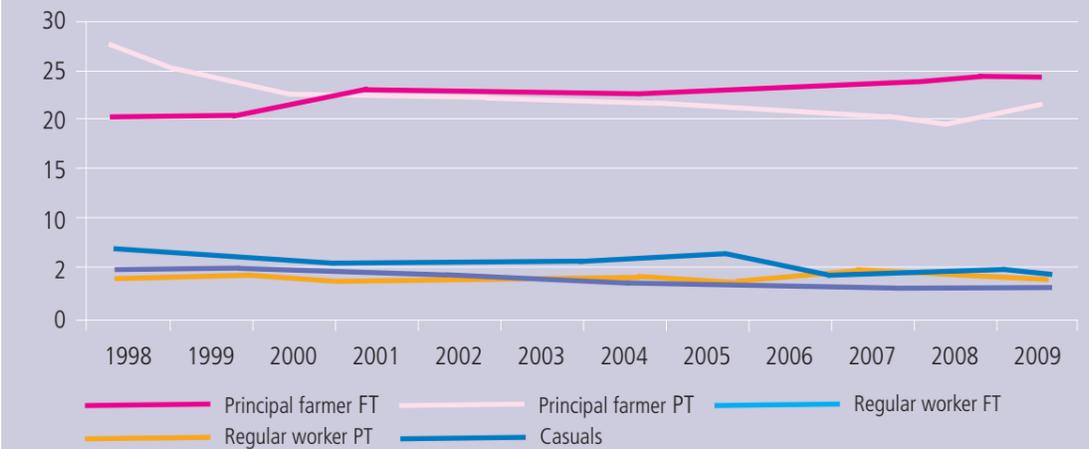
Employment in Agriculture

Employment in agriculture has been in long term decline. According to estimates from the Welsh Agricultural Survey, in 1998 a total of 62,000 people were working on holdings in Wales, but by 2009 this had reduced to 56,600. This is a simple headcount of farmers and employees and includes full time, part time and casual workers. Just over three quarters of these workers are farmers, their spouses and other business partners (known as principal farmers).

The balance between full time and part time working has changed significantly between 1998 and 2009. In 1998 42% of the farm workers were full time principal farmers with 32% part time principal famers. By 2009 the shares were 34% full time and 43% part time principal farmers.

(Source: Welsh Agricultural Statistics, Welsh Assembly Government, 2009)

Farm labour estimates from the Welsh Agriculture Survey, 1998 to 2009
Headcount of farm workers by type ('000)



(Source: estimates from the Welsh Agricultural survey at June each year 1998 to 2009)

Economic Value Added by the Agriculture and Food Sector
Contribution of the Welsh Food Sector to the Welsh Economy

Total GVA of Welsh Food and Drink* (F&D) (2005)	£3.5bn
Contribution of Welsh sector to UK F&D GVA	~4%
Contribution of Welsh F&D sector to total Welsh GVA	~12%
Welsh agriculture GVA (2009, at market prices)	£204.9m
Total Income from Farming (TIFF)2009**	£170.4m

*Excluding farming and fishing and including the food and drink industries include; food and drink manufacturing, wholesaling, retailing and foodservice (restaurants, canteens, catering, bars).

**GVA: Gross Value Added; TIFF includes income from diversified and value added activities that can not be separated from the agricultural business.

(Source: Annual Business Inquiry, ONS, 2006; and Welsh Agricultural Statistics, Welsh Assembly Government, 2009)

20. For dairy, five companies dominate the processing sector. Of the 1.5 billion litres of milk produced in Wales in 2008 – (which accounts for 11% of overall UK production) – the majority is processed within Wales. In the case of small and micro-businesses, on-farm or small facilities are utilised for processing, but a lack of facilities often means that processing may be done in centralised locations elsewhere in the UK.

21. The following table shows how enterprises, employment and GVA were distributed across the industrial sectors in Wales and Great Britain in 2008. The table highlights those sectors that are either clearly within the food sector (agriculture and food manufacturing) or have a food component (hotels and restaurants, retail and wholesale, and transport and communications). Other non-food sectors are grouped together. The figures for employee jobs exclude self employment and sole traders. This is particularly important for the agriculture sector where many farms do not have regular employees, just the self employed farmers themselves.
22. The shares of enterprises, employment and GVA in the various food related sectors are generally comparable between Wales and Great Britain. The main exception is that Wales has a much larger share of its enterprise in the agriculture sector than Great Britain.

Summary Economic Statistics by Industry, 2008 (SIC 2003)						
	Wales			Share of National Total		
	Enterprises ('000)	Employee Jobs ('000)	GVA (£ billions)	Enterprises	Employee Jobs	GVA
Wales						
Agriculture	15.8	18.3	0.2	16.5%	1.5%	0.5%
Food Manufacturing	0.4	23.0	1.0	0.5%	1.9%	2.4%
Hotels and Restaurants	8.3	83.7	1.4	8.7%	7.1%	3.2%
Retail and Wholesale	17.2	188.8	4.9	18.0%	16.0%	11.2%
Transport and Communication	3.9	50.6	2.4	4.1%	4.3%	5.5%
Other Sectors	49.9	818.6	34.2	52.2%	69.2%	77.4%
Total	95.4	1,183.0	44.1	100.0%	100.0%	100.0%
Great Britain						
Agriculture	138.9	270.4	8.7	6.6%	1.0%	0.7%
Food Manufacturing	6.8	379.8	21.5	0.3%	1.4%	1.8%
Hotels and Restaurants	132.9	1,802.4	34.6	6.4%	6.8%	2.9%
Retail and Wholesale	365.3	4,427.1	137.4	17.5%	16.6%	11.6%
Transport and Communication	81.5	1,547.9	85.5	3.9%	5.8%	7.2%
Other Sectors	1,364.6	18,249.6	896.1	65.3%	68.4%	75.7%
Total	2,090.0	26,677.2	1,183.8	100.0%	100.0%	100.0%

Source: Inter-Departmental Business Register: Annual Business Inquiry: Regional Accounts (ONS)
 Active enterprises that are VAT or PAYE registered. GB figure is headquarters based (rather than active)
 Employee jobs excludes the self employed, HM Forces and Government supported trainees
 Total GVA excludes private households, based on 2007 but includes GVA from self employment
 Agriculture includes horticulture, fisheries, forestry and hunting
 Food manufacturing includes food, drink and tobacco
 Other sectors includes non-food manufacturing, construction, private sector services, public and private health and education services, other public sector services,
 Numbers may appear not to add exactly because of rounding.

23. The table indicates that the food sector contribution to GVA and total employment may be relatively small in both Wales, and Great Britain as a whole, However, a definitive contribution from the food sector here would depend on identifying the additional contributions to the food sector from retail, transport, tourism, and other sectors. The food sector's share of all enterprises appears to be relatively high. Of course, these figures are only part of how we measure the economic value of our food sector, and its key role in security, economic resilience in periods of recession, as well as its direct link to primary production, make it a highly significant component of our economy.

e) The food supply chain and consumption

24. The food output chain is dominated by export - not surprisingly, given the relatively limited domestic market. The consumption data of red meat illustrates very well the current dependence of the agricultural and primary production sectors on export markets: only 4% of the meat we produce is consumed in Wales. As noted above, this agricultural output is mainly channelled through a small number of large companies, whether in red meat or dairy. Recent research into small and micro businesses, shows most report that their largest market is Wales, while the larger the company, the larger is the proportion of sales to the rest of the UK (DTZ, 2009).
25. Food processing companies here source a high proportion of their primary inputs as locally as they can and therefore, add value to the end product. The primary inputs are dominated by dairy and red meat, although there is a local processing market for a range of produce which includes seafood, cereals, fruit and vegetables, and chicken (DTZ, 2009).

Location of red meat markets (2008)

Category	Total production	Consumed in Wales	Consumed in rest of UK	Consumed outside UK	Export Value (2008)
Beef and Veal	99,000	4 %	89%	7%	£17m
Sheep meat	92,000	4%	63%	33%	£91m

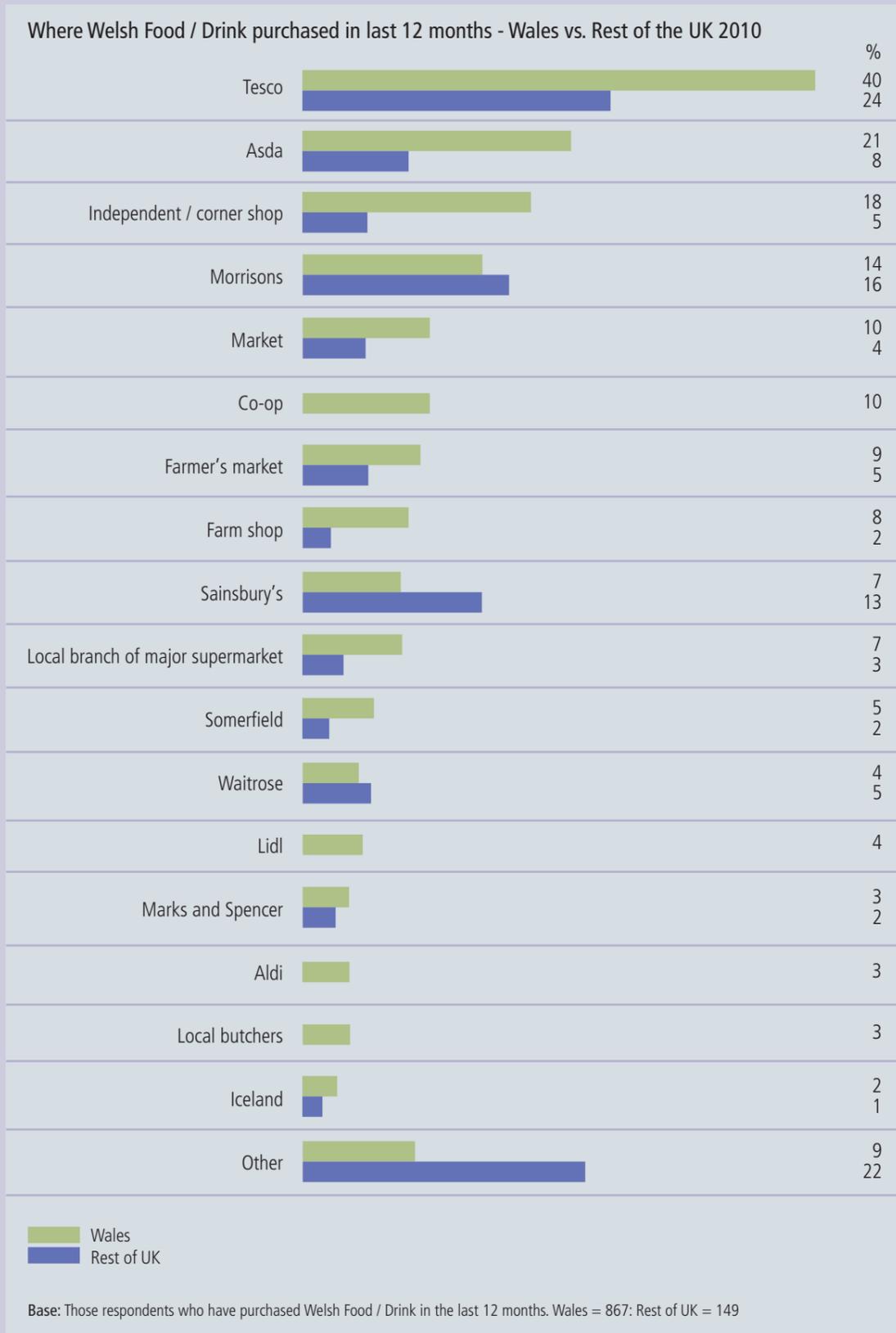
In 2009 Welsh Lamb exports were valued at £109m and Welsh Beef £31m. France was the largest market, importing £77m worth of Welsh Lamb, followed by Belgium, Italy and Germany (HCC press release 22 March, 2010)

Size of business and location of largest market (2008)

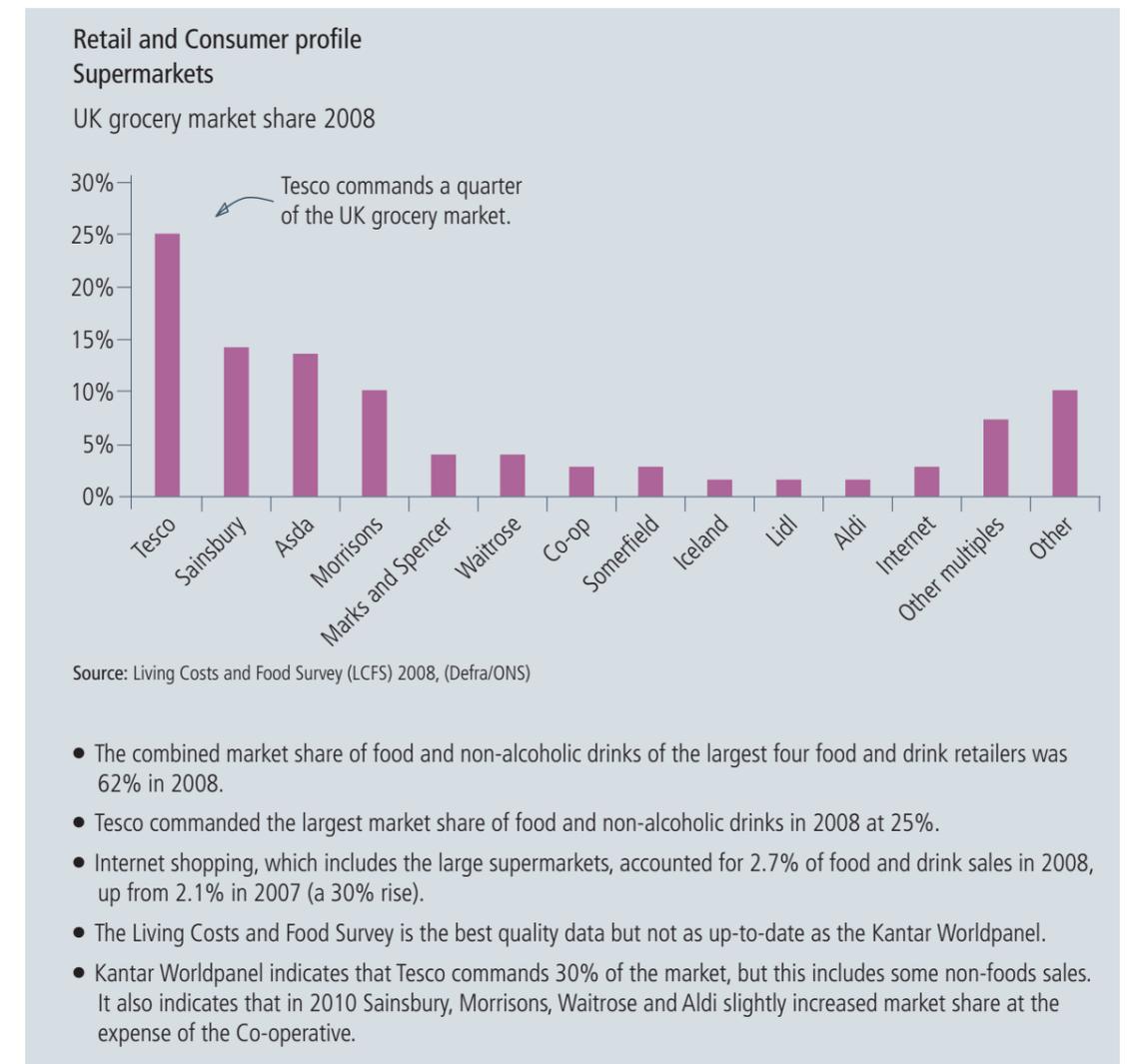
No. Employees	In Wales	In UK outside Wales	Outside UK
0-9	87%	11%	2%
10-49	74%	23.5%	3%
50-249	57%	29%	14%
250+	38%	63%	0%

(Source: DTZ, 2009)

26. As with processing, the retail sector is dominated by a few large companies, following the pattern for retail across the UK. Other outlets include farmers' markets, farm shops, box schemes, direct order and community food ventures. Data on the latter chains are currently limited; however, opportunities remain to be exploited in these alternative retail channels, particularly for the small and micro food businesses.



27. In terms of the major purchase habits for consumers, alternative chains remain peripheral. In recent surveys of consumer habits¹⁴, the ranking of factors influencing food purchasing has not changed substantially over the last decade. Price remains the most important factor followed by taste, healthiness, fat content, and locally produced.
28. Other points of food consumption include public and private sector canteens and food service outlets. Whilst we can say that in 2003 research by Horizons Foodservice Intelligence indicated that there were 16,325 Food Service outlets employing 54,397 people (ONS ABI, 2003), data on these areas of the food sector are difficult to compile for Wales.



¹⁴ Research conducted for the Welsh Assembly Government by Beaufort Research

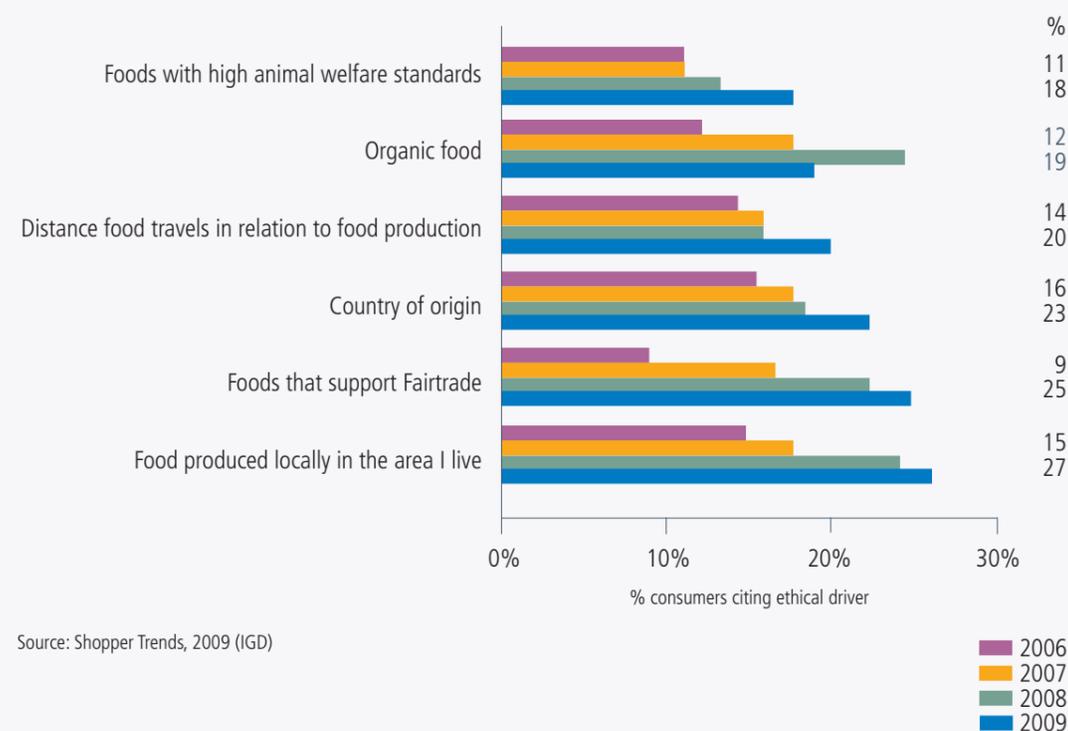
Retail and Consumer profile

Consumer Motivation

While consumers continue to make price the most important factor in purchasing decisions, other reasons are also important, and long term trends suggest that they will continue to be significant into the future.

Consumer Demand

Trend in ethical drivers of food choice, 2006-2009²⁴



- The number of consumers saying they have purchased food that support Fairtrade in 2009 is 25%, almost three times more than in 2006, which was only 9%.
- Support for local producers and suppliers has also been increasing. The number of consumers buying locally produced food has almost doubled to 27% in 2009 compared with 15% in 2006.
- Organic food is the only ethical driver to have dropped in 2009. The number of shoppers buying organic food increased between 2006 and 2008 from 12% to 24% but fell back to 19% in 2009.
- According to the Family Food Survey, about 4.1% of vegetables for household supplies in 2007 came from gardens and allotments. According to nVision Research (2008) 36% of consumers already grow or intend to grow their own vegetables.

(f) Why we need a Food Strategy – in summary

- It is clear from the data presented here, although providing only a partial view, that our food system is highly integrated into the UK and European systems and is profoundly influenced by a wider global context. It also demonstrates that the food system has a combination of characteristics that makes it distinctive and this Strategy seeks to provide direction to make the most of the specific opportunities identified.
- The agriculture, horticulture, fishing and food sectors remain as important facets of economic, environmental and social life. What is known about these sectors varies; whilst we have a considerable amount of data and experience in analysing the agricultural sector (although there continues to be room for improvement here), there are large areas of the food system that are poorly analysed due to the difficulties in gathering suitable data.
- Three categories (beef, lamb and dairy) continue to dominate Welsh production, but these are subject to influences that may be due to market and/or natural causes (e.g. currency movements, disease events, and competition). The causes and effects of change in the structure of farming and food processing, illustrated by the decline in the number of dairy farmers and in the number of independent abattoirs, are important to identify and understand. These changes signify the vulnerabilities of sectors, but also provide opportunities for alternative agricultural production and food supply combinations.
- Better data is also required to inform policy related to the processing, food distribution, retail and food service sectors. However, it is acknowledged that this desire for better data should be balanced by the cost effectiveness of obtaining it against how it will be used. We have some evidence of local systems of production, processing and distribution, and these co-exist with an export-led sector (mainly to the rest of the UK) dominated by large firms that control substantial processing facilities. How these are integrated into the local economy will be important in developing further local markets for producers and in improving the supply of raw materials to processors.
- A significant issue for all food sectors (including primary producers) is to better understand cross-border flows in order to gain a more accurate picture of its true worth to the economy. A better understanding of the multiple effects of all food system sectors on other aspects of the economy can lead to a better appreciation of how elements of the food system interact.
- Finally, the retail, food service, public procurement, social, cultural, health and community components of the food system have not been fully analysed on a Welsh basis. These areas form important aspects of the food system and are of crucial concern when planning improvements for the well-being of our citizens. This Strategy's ambition is to develop a coherent and holistic approach to food policy, in partnership between Government and its public and private partners, including in the wider sense civil society. This will provide more closely targeted direction for future implementation plans. More ambitiously, this Strategy aims to integrate policy from all areas of the food system, in order to better direct our industry and us all toward a profitable, healthy, and long term future.

'An approach based on sustainable development will support the resilience of the food system'



CHAPTER 4 The Goals of the Food Strategy

1. This Strategy aims to foster a food sector that can provide food of the highest standard. It is founded on principles of sustainable development, which are focused in the Strategy on the provision of safe, affordable, healthy food, and on a food system that produces positive social benefits whilst imposing the lowest possible environmental impacts.
2. An approach based on sustainable development will support the **resilience** of the food system. We need to address the need to assure the longer-term availability of the food our people need in the light of increasing (global) uncertainties in the market and to answer climate change challenges. The broad demands of environmental sustainability, and the social and health concerns of consumers, are of crucial concern to building robust resilience in the food system.
3. The system must be responsive to the many challenges faced by food sector businesses. To this end, the institutional and collaborative capacities that will allow the agricultural, horticultural, fishery and food sectors to develop flexibilities and diversity throughout the food supply chain must be enhanced.
4. **Competitiveness** and **profitability** will remain central to the success of food businesses, and the Strategy looks to support the development of the sector. These attributes are strongly linked with the **sustainability** and **resilience** of the food system. In view of the challenges and opportunities outlined in this Strategy, increases in competitiveness will become more conditioned by wider and more challenging concepts of productivity and efficiency that explicitly takes sustainability into account. In this way, a sustainable and resilient *food system* can, provide significant commercial benefits to *food sector businesses* by enhancing their capacity to compete and achieve profitability.
5. This Strategy, therefore, sets out an approach that is based on a **sustainable** and **resilient** food system, and supports the development of a **competitive** and more **profitable** food sector.

The Food Strategy has at its core the goals of a
Sustainable and Resilient Food System
that encompasses a food sector composed of
Competitive and Profitable Businesses

‘The food system has the potential to foster closer links between the economy, the environment and society – the three pillars of sustainable development’



CHAPTER 5 Key Strategic Drivers

1. The inter-related goals outlined previously demand a strategic approach that is focussed on the theme of **Building Connections and Capacities**.
2. This theme is realised through five key drivers that provide an operational structure to deliver the Strategy’s vision. Clear and comparable indicators of progress will be developed for each of these drivers.
3. The 5 key drivers are
 - **Market Development;**
 - **Food Culture;**
 - **Sustainability and well-being;**
 - **Supply Chain Efficiency; and**
 - **Integration.**

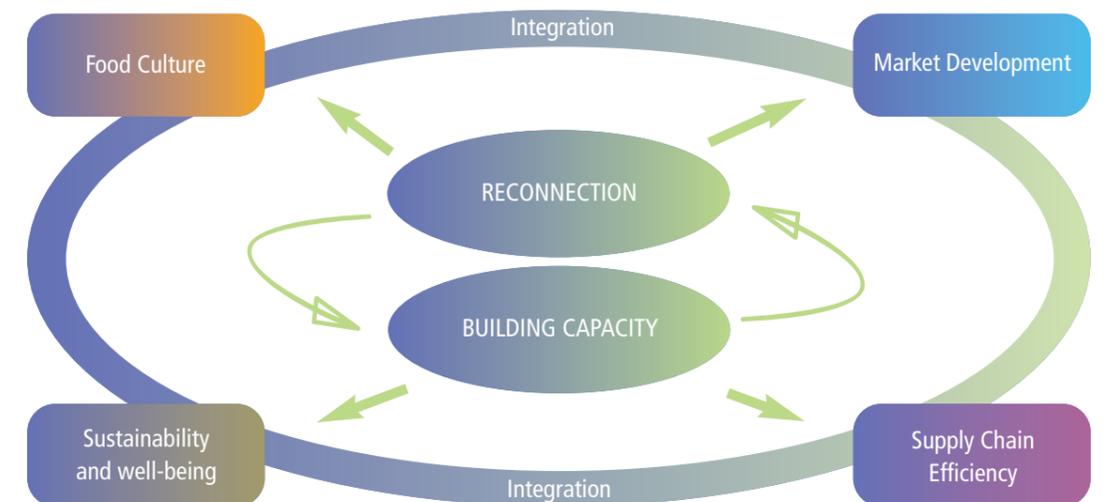


Figure 3: The Five Key Strategic Drivers

Building connections and capacities – the theme of the Strategy

4. The food system has the potential to foster closer links between the economy, the environment and society – the three pillars of sustainable development. To realise this potential, the Strategy aims to strengthen capacity-building processes that create innovative connections across and between different food chains. The central idea is to build greater diversity into the food sector to create new and more sustainable relationships (or connections) between rural and urban areas, between food producers and consumers and between policy sectors. The connections that exist now will also be strengthened.

Strengthening Connections between Urban and Rural Areas

5. The food industry here can offer foods of sufficient quality¹⁵ that can bring significant benefit to local producers and retailers, whilst also contributing to exports and to increasing tourist income. This strength can be emphasised through enhancing the connection between the countryside and neighbouring urban areas and by increasing the supply of foods that are recognisably of Welsh origin.
6. This Strategy will encourage urban areas to make new and innovative economic links with the countryside through food provision.

Connecting producers with consumers

7. With its abundant and clean water resources, green landscape, and resourceful agricultural community, Wales has the capability to produce a range of good quality foods. The Strategy seeks to encourage the industry to capitalise on our natural resources to reconnect the producers of good foods with the existing consumer base. Water efficiency needs to be improved in the process of food production and the industry generally – the Strategy encourages an increased focus on this.
8. The embedded water in our goods and food services needs to be highlighted¹⁶ to understand how our consumption affects water scarce regions and how greater local sourcing will impact future water resources availability in Wales and beyond¹⁷.
9. In particular, the Strategy will support the growth of a healthy food culture supporting people to achieve a balanced diet, linking with efforts already being made in this regard within the health, community development, regeneration and tourism strategies, such as Change4Life.

Connecting producers, processors and retailers

10. As set out in the Local Sourcing Action Plan, increased local food purchasing can have important benefits for the nation as a whole. At the very least connecting producers, processors and retailers means:
 - retaining more money in the local economy;
 - reducing the energy inputs needed by (and the greenhouse gases resulting from) the production, processing and transportation of food; and
 - enhancing the economic activity in rural and smaller communities, whilst also making fresh food available to people in all communities.

¹⁵ The Strategy uses the term 'Quality' to broadly refer to foods that have a character derived from good nutritional and taste standards, and that are produced by means of ecologically sound production methods.

¹⁶ *Welsh Assembly Government (2009) Strategic Policy Position Statement on Water*, <http://wales.gov.uk/topics/environmentcountryside/epq/waterflooding/policystatement/?lang=en>

¹⁷ When 'virtual water' is considered, the UK is the sixth largest net importer of water in the world, and only 38 percent of our total water use comes from its rivers, lakes and groundwater reserves.

11. To achieve these goals, the Strategy will encourage new forms of collaboration to increase the availability and consumption of food produced here, as well as encouraging food producers to achieve the capacity needed to supply a range of different market outlets, such as supermarkets, public procurement, farmers markets, and catering outlets, etc.

Connecting with export markets

12. The Food Strategy aims towards a strong export market for food. The approach to export markets will be based on the vision and goals for the food system. The Strategy's theme of **building connections and capacities** will provide direction to strengthen the development of exports which will bear the hallmark of high quality; incorporating the need for ecological and sustainable practice into Welsh foods.

Connecting policies

13. Food is recognised as a central area of public policy. This Strategy proposes that there needs to be more explicit integration, which recognises that the way in which food is produced, distributed and marketed directly affects public health policy, economic and community development, tourism, and our commitment to sustainable development. As such the Strategy will seek commitment from all concerned to further join up policy on food across Government and the industry to achieve the best possible provision for the health and well-being of our citizens.
14. Specifically, food:
 - is found as an important component of the main Sustainable Development policy *One Wales, One Planet* and carried into policies on health, in "*Our Healthy Future*" education and economic development;
 - features strongly in the main *Rural Development Plan for Wales 2007 - 2013*, which is presented through the *Farming, Food and Countryside Strategy*;
 - is being actively developed as part of the health, poverty and community development agendas; and
 - is a component of the *Wales Spatial Plan* in working towards Low Carbon Regions
15. The Food Strategy works with these current and developing policies and aims to create synergies with other pieces of strategic policy that have direct relevance to food.

CONNECTING POLICIES

One Wales, One Planet

A new Food and Drink Strategy will help to deliver “a much lower food ecological footprint and much lower greenhouse gas emissions associated with production, processing, distribution and consumption of food in Wales, with minimum generation of food waste, and maximum composting”.

Farming, Food & Countryside (FFC)

FFC is the overarching Strategy for agri-food and rural policy. The Food Strategy is designed to be complementary to the FFC and will support the primary production sector, while extending policy focus to other aspects of the food system. The FFC charges the Food Strategy with the task of helping to develop a market-led, customer focussed, profitable and sustainable industry which adds greater value and is responsive to market trends.

Our Healthy Future

Our Healthy Future sets the overall context and direction for action to protect and improve health in Wales, providing a strategic platform for future development. It aims to achieve improved quality and longevity of life; and fairer outcomes for all. The Food Strategy for Wales is designed to embed these aims into the overall strategy and the subsequent implementation plan.

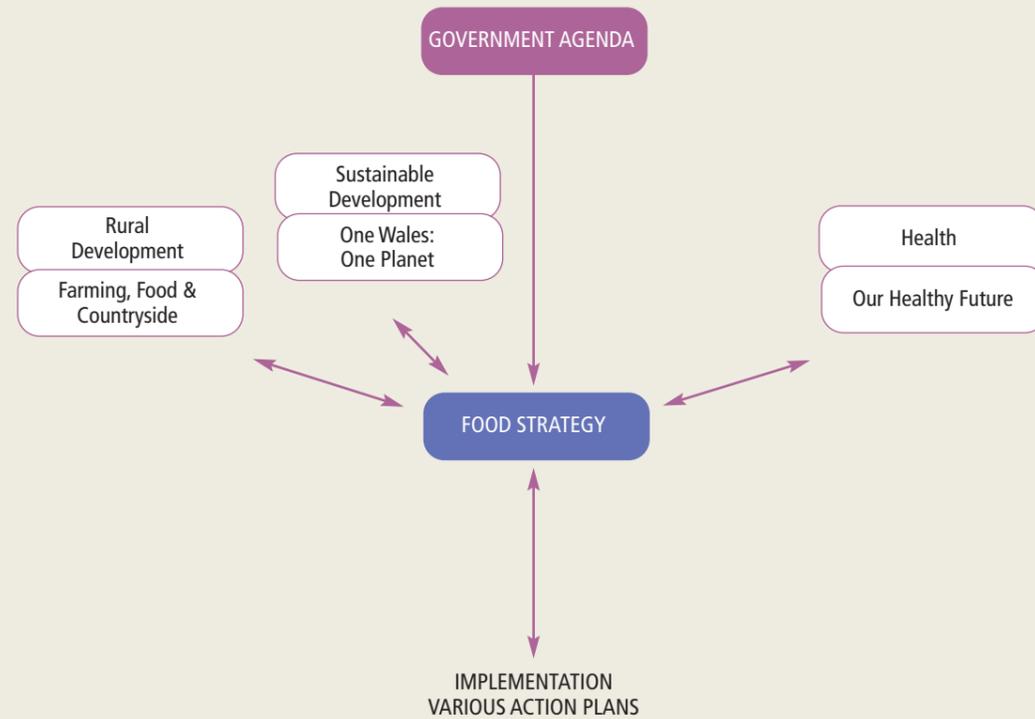


Figure 4: The Food Strategy’s place among the main food-related strategies and food specific action plans of the Welsh Assembly Government)

(a) KEY DRIVER 1 - Market Development



Principles

- Local and locality branded foods from Wales should be developed and promoted to markets in Wales, the rest of the UK, and more widely;
- The identity of Welsh foods should be strengthened through a distinct set of provenance indicators that should convey confidence in the associated qualities of Welsh food; and
- The public sector should use the power of purchasing to support the strategic development of the food sector.

Branding Welsh food

16. The Wales the True Taste brand has been successful in establishing the unique identity of Welsh food and its inherent connection with the landscape. This Strategy directs the industry to build on this success, to enhance the appreciation of Wales as a source of the highest quality food, produced according to sustainable principles. The Strategy directs the True Taste brand to continue to support such industry efforts in its awards structure. The development of strong branding to reflect these qualities is essential to build on the success achieved so far to:

- foster more diverse products;
- build more diverse routes to market; and
- deliver greater value to producers and processors.

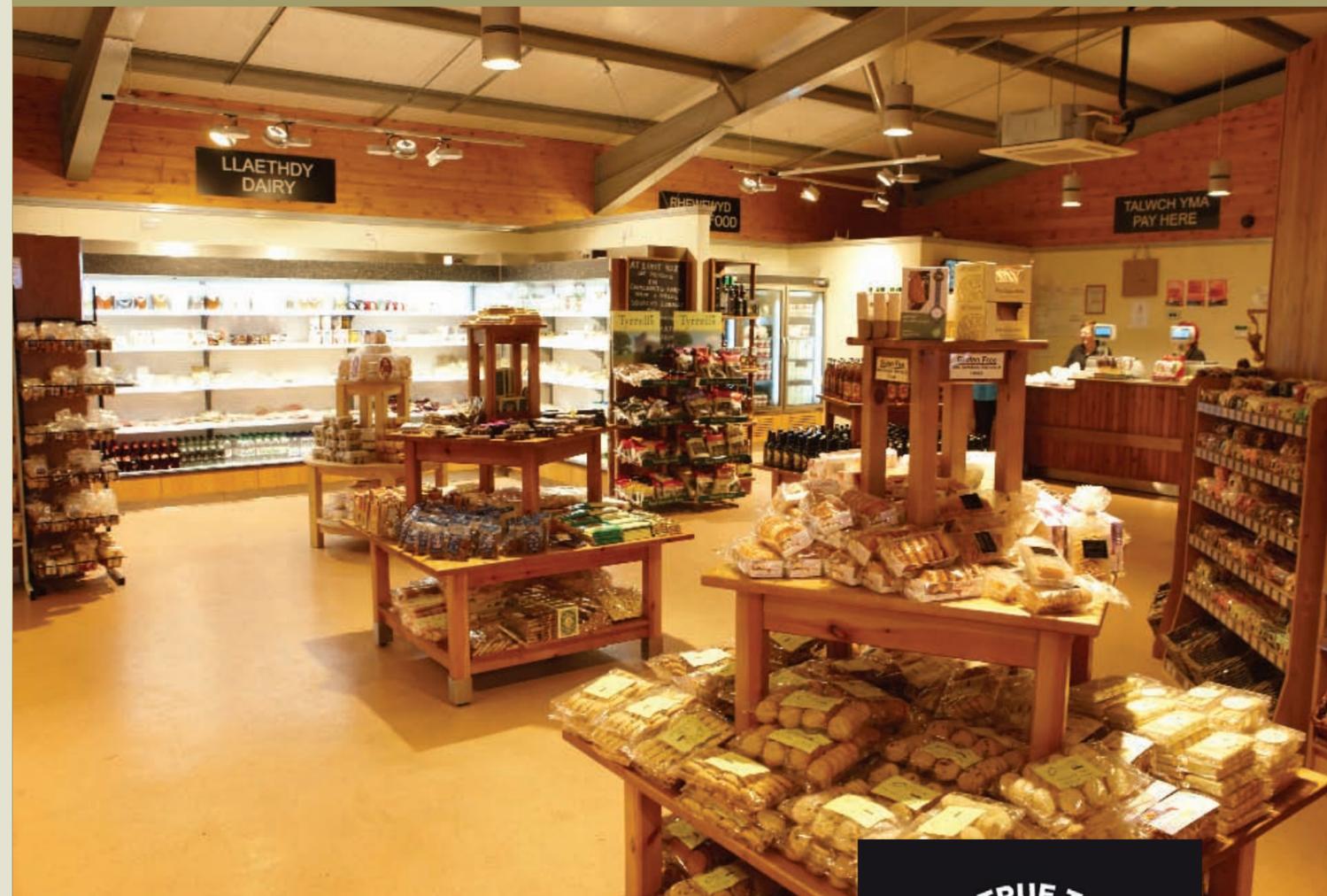
17. This Strategy holds an outward-looking approach that aims to foster connections between local and regional markets while at the same time purposefully expanding participation in export markets. The Strategy is to build a strong, clearly differentiated brand that will help producers and processors to compete both locally and in export markets. The direction is to connect the growing food culture to wider markets by conveying compelling examples of the activity and vitality of food culture here.

Telling our story: the many different qualities of Welsh foods

18. An effective consumer research and marketing approach that tells a story about the benefits of food for and from Wales is essential to connect producers with growing health conscious and sustainability conscious markets, with export markets and with regional markets.

19. This Strategy is to foster new niches, products and clusters of excellence which should be directly linked to tourism and amenity, and which should be promoted at home and abroad. In this respect, the Strategy's focus is on a more distinctive food system that:

- reconnects production and processing to a regional context and resource-base through an emphasis on products that are linked directly to Wales (regardless of whether they are marketed here);
- has products that are produced with the lowest possible impact on the environment and greatest impact on health; and
- emphasises food locality but can also accommodate the differing diet and cultural needs of a wide variety of consumers.



Using provenance intelligently

20. It is acknowledged that producers here may not be able to compete with producers from other countries on costs of production or price alone. The Strategy encourages efforts to distinguish products in terms of quality, animal welfare, and sustainability. Foods under the wider Welsh brand should demonstrate the following:

- the adoption of good agro-ecological practices, including measures to reduce production-based greenhouse gas emissions;
- compliance with high animal welfare standards;
- contribution to the sustainable management of resources such as soils, fishing grounds, water and landscape;
- increased energy efficiency and lower carbon emissions throughout the food chain;
- contribution to a healthy balanced diet; and
- a strong contribution to the regeneration of sustainable communities throughout Wales.

21. The development of Welsh branding of produce must be done in ways that do not add costs and onerous duties unduly to the industry. What is needed is a clear understanding of an expanded notion of Welsh food provenance. The EU's Protected Food Names¹⁸ is one way of identifying provenance for consumers on the domestic and overseas markets. The Strategy will be to explore ways to support industry in expanding these within a broader range of sectors and in other parts of the supply chain.

22. This will all require careful consultation and collaboration between Government and the industry, involving perhaps a series of incremental changes on both the supply and demand side. Focused and concerted actions will be required to achieve these objectives.

More than labels

23. Market development in the Food Strategy is not only about the creation of an overarching direction but it is also focussed on the need for specific actions within a clear and strategic marketing framework, which may involve:

- the corporate retail sector;
- the public and private catering and procurement sector;
- farmers' markets and other direct delivery outlets; and
- the expanding export sectors.

¹⁸ The EU Protected Food Name Scheme identifies regional and traditional foods whose authenticity and origin can be guaranteed. Under this system a named food or drink registered at a European level will be given legal protection against imitation throughout the EU.

24. There would have to be significant departure from the current position of marketing generic Welsh food to encompass and clearly articulate the local and locality dimensions of the food system. It is difficult to split the food offer strictly into these different sectors – each product would need to be looked at with lessons shared, e.g. between the marketing of cheese and Welsh lamb/ beef.

25. The Food Strategy is to encourage Local Authorities and other public sector bodies to source local food which contributes to a healthy balanced diet where possible. At the Local Authority level there is an increased recognition of the contribution that local food sourcing can make on environmental, economic and social grounds.

26. Improving the quantity and profiling of Welsh food in major retail outlets is another significant aspiration for the Food Strategy. Collaboration between producers, distributors and the retail sector at all levels will be needed.

Both bulk food and speciality niche products are important

27. Low value outputs for the food manufacturing sector will continue but low value should not mean low quality and these activities should not be over-looked in terms of contributing towards our strategic vision.

28. All sectors can contribute to enhancing the international and national reputation of food from Wales, which should be marked by high quality, high animal welfare standards, reliability of supply and ecological efficiency¹⁹.

29. This Strategy is therefore applicable to the bulk food markets as well as to speciality niches.

Improved marketing: developing domestic and export markets

30. Marketing to domestic outlets should continue to be improved, targeting the private, public and civic sectors in equal measure. The Strategy here is to encourage the purchase of more Welsh food and drink by consumers and promote Wales the True Taste award winning food and drink by means of all available media. This applies to existing success stories such as lamb exports, but also to other sectors such as dairy, beef, horticulture, fish, and aquaculture products, value added and niche products. The Strategy accepts that there is a key role for supporting a greater link between developing our domestic markets and supporting a 'food culture' (see Driver 2).

¹⁹ Ecological efficiency is defined in this paper as the effective production and transfer of safe, nutritious food through the supply chain, while minimising inputs, greenhouse gas emissions and waste.

31. The Strategy supports continued and increased efforts to build on existing markets and to develop new markets worldwide. The Welsh Assembly Governments Food Fisheries and Market Development Division delivers an export assistance function which supports Welsh food and drink businesses to develop in overseas markets.
32. Mechanisms for gathering better market intelligence should be strengthened and marketing services for producers and processors to improve promotion should be easier to access.

Develop stronger Welsh branding

33. The Wales the True Taste brand should continue to be strengthened in partnership with the food industry in order to develop clear and integrated brands that emphasise Welsh provenance and the wider sets of qualities detailed above. In addition to giving assurance of this basic set of qualities, brands should be flexible enough to allow individual products to communicate their own identities.
34. The Strategy is for the partnership working between Government and the industry to support further product applications for EU provenance schemes (such as Protected Geographical Indicators (PGI), Protected Designation of Origin (PDO), Traditional Speciality Guaranteed (TSG)) to follow success in gaining PGI status for Welsh lamb and beef. Also the Strategy is to encourage more labelling of Welsh food which is destined both for the EU and global markets to create differentiated products which have clear links to specific areas and practices. As stated earlier, the Strategy will be to support industry in expanding provenance indicators within a broader range of sectors and in other parts of the supply chain.

Support market access and stimulate Local and Regional Markets

35. The Strategy will continue to support the development of local and regional markets for Welsh brands and will encourage proactive public procurement policies that build on local sourcing policies as advocated in the *Local Sourcing Action Plan*. The values within these public procurement policies will be shared with other parts of the food service sector in Wales.
36. Tenders for schools, hospitals, colleges, universities and care homes can and should request high quality and fresh products. To allow for this, protocols and guidance should continue to be developed so that those engaged in procurement will have a clear understanding of how to reflect values from the Strategy whilst engaging in purchasing decisions. These decisions should be in accordance with EU legislation which can be complex to interpret. However, with adequate and consistent information and training, a much higher level of local food purchasing by public sector bodies could be achieved.
37. This Strategy also supports the key role that promoting a stronger Welsh food culture (see Driver 2) can play in developing local and regional markets for quality food.

38. Supermarkets are a dominant force in the food sector. The development of more diverse routes to market (as discussed in the *Local Sourcing Action Plan*) and stronger Welsh branded products within corporate chains will help to address some of the imbalance in value capture, but more structural change will be needed. This Strategy is to offer support and encouragement for the development of an independent body to oversee fairness in the retail sector and to enforce the Groceries Supply Code of Practice (GSCoP) which outlines good practice for the grocery supply chain²⁰.

Promoting entrepreneurial initiative

39. The Strategy encourages entrepreneurial initiatives that create opportunities for people to get together around the subject of developing Welsh food. These will include different kinds of public and private initiatives, including for example:
 - support and encourage more new food and drink businesses to start up and develop new products to take to domestic and overseas market;
 - retain and develop a database of producers offering fresh/quality Welsh products to be made available to local restaurants; and
 - progress towards a clear, standardised branding for restaurants and other food service outlets offering local ingredients, this could include the Wales the True Taste brand and an enhanced role for the EU Protected Food Names.
40. The Strategy encourages the dissemination of examples of good practice in support of making very large supplier contracts more accessible to a wider sector of the industry.
41. The Strategy encourages links between supporting entrepreneurial market development in the food sector with mechanisms to support agricultural producers, including those targeted at young entrants. Such linkages should consider some of the broader issues concerning skills covered in Key Driver 4 (Supply Chain Efficiency).

²⁰ The GSCoP Order is available at www.competition-commission.org.uk

(b) KEY DRIVER 2 - Food Culture



Principles

- A strengthened Welsh food culture leading to a steady demand for quality food is one of the most important ingredients of a sustainable food system; and
- Tourism should play a major role in marketing and promoting Welsh food.

A Sustainable Food Culture

42. Whilst a steady demand for quality food is one of the most important ingredients of a sustainable food system, producers need to know that they can look to a diversified food market, which comprises of opportunities beyond niche outlets.
43. Good food does not just mean top quality food, and increasing the consumer’s knowledge of how to use affordable food most effectively becomes an essential element in a sustainable system of food production and provision.
44. Increasing knowledge about food in our communities will help to develop a stronger food culture, which can stimulate the demand for good quality and locally produced food.

Helping consumers make informed food choices

45. More widespread knowledge about food leads to increased consumer empowerment and helps people to understand that their food choices and purchasing habits have important implications for:
 - their health;
 - the environment and its resources;
 - animal welfare; and
 - the economy.
46. The Strategy supports clearer food labelling and the education of consumers. In that light, the Strategy supports a strengthening of the rules on country of origin labelling (COoL), with particular regards to meat and dairy. The Food Standards Agency (FSA) has been the UK’s lead organisation working to inform consumer choice and has run successful campaigns to inform the public on aspects of consumer health – such as the traffic lights system for labelling the content of food. Welsh Assembly Government – alongside other devolved governments in the UK – are increasingly taking the lead on such issues as labelling food and directing/influencing the food research agenda.
47. For this reason, the Food Strategy aims to direct people to become knowledgeable and creative about their food, about how it was produced and how it was prepared. Central to this effort is the Wales-wide adoption of a “whole-school” approach – that is, an approach that embeds the healthy eating message into a wider educational package that stresses the positive links between food, fitness, health and both physical and mental well being. The whole school approach is already being taken forward through the Network of Healthy School Schemes – 99% of schools are actively engaged. A number of initiatives have already demonstrated that where it is fun, stimulating and enabling, this approach can deliver handsome dividends even in the most challenging social environments²¹. There is already much good work underway – such as the Welsh

²¹ Morgan, K. and R. Sonnino (2010) *Re-thinking School Food: The Power of the Public Plate*. In: *State of the World 2010: Transforming Cultures: From Consumerism to Sustainability*. Washington: The World Watch Institute.

Assembly Guidance on developing a whole school food and fitness policy, and work more widely on different levels of skills needed throughout the sector. The understanding of the need to be fully aware of health and safety issues continues. Provision of training has been significant and affective in recent years, but it is important to remain vigilant as situations change and to avoid complacency.

48. The Strategy sees positive health and cultural benefits to supporting efforts to develop cooking skills of our children and young people. While there is a role for schools here, it is recognised that other sectors also provide learning and influence behaviour, such as further education, work based learning, youth work, and adult community learning. The Strategy also acknowledges the potential positive role of demonstration events at food festivals and farmers' markets in promoting cooking skills.
49. The Strategy aims to make people proud of our diverse food cultures, whatever local community they are part of or their socio-economic status, and of what they can contribute to further developing the links between food production, preparation and consumption. The food culture education being encouraged here includes any aspects of provision – in order to provide learning, and to influence behaviour.

The Food Matters Project

In 2006, an area of Cardiff was chosen to pilot a highly ambitious food education project, called Food Matters, which was designed to nurture children's knowledge of the school food chain from "seed to plate".

One of the most innovative features of the project was a peer-to-peer learning process through which children were taught to teach other children about the merits of healthy eating.

Eating what they had grown, learning from each other and, above all, being actively involved in their own transformation were the hallmarks of the *Food Matters* project.

The project proved that children in the most deprived communities can learn to appreciate healthy food if the learning opportunities are sufficiently stimulating and empowering.

(Source: Morgan, K.J. and R. Sonnino (2008) *The School Food Revolution: Public Food and the Challenge of Sustainable Development*. London: Earthscan)

Tourism as a promoter of Welsh food

50. The distinct nature and beauty of our landscape and coastline – qualities conveyed by the image of the mountains, valleys, rivers, and seas – and the warmth of our communities, should be closely associated with the food we produce. This should then be made the most of when we are working to establish the distinctiveness of our foods on the market.



51. As set out in the *Food Tourism Action Plan* (2009), businesses in farming, horticulture and fishing should be encouraged to offer to tourists a diversity of services that emphasize the distinctiveness of our topography and natural resources in promoting the associated foods. The Strategy encourages those that provide food to tourists to source more locally and to ensure they broadcast its provenance as a positive feature of their food offer.
52. Meals cooked using fresh local ingredients will add to the clear connection between these elements and what it has to offer in terms of quality food.

Tourist Food Expenditure

Visitors on short breaks to Wales spend 18.7% of their holiday budget on food and drink, while for those on longer holidays the proportion falls to 17.8%. This expenditure is divided between restaurants, bars, cafes, fast food and other takeaway outlets, and sandwich bars and bakeries, with the highest proportion being spent in restaurants.

(Source: Visit Wales Expenditure Survey, 2005; Food Tourism Action Plan: Food and Drink for Wales; Welsh Assembly Government, 2009)

Developing Food Culture - Citizen and consumer empowerment

53. Initiatives to increase citizen and consumer empowerment should include a series of specific actions²², including:
- food education programmes in schools;
 - schoolchildren visits to farms and the countryside;
 - public access to open and demonstration farm days; and
 - further development of food festivals
54. The education of our citizens on the benefits of healthy eating is a vital driver in developing a positive healthy eating culture and attitude to food, which has potential to deliver significant improvements in their health and well-being throughout life.
55. The Strategy will also encourage the creation of new public spaces for producers and consumers around a sustainable food culture. This includes:
- food cooperatives (such as the Community Food Co-operative Programme currently supported by the Welsh Assembly Government²³);
 - community growing initiatives – both formal and informal;
 - community supported agriculture and box schemes; and
 - initiatives that make sustainable and affordable food products accessible to deprived communities in both urban and rural areas.

²² There will be options to explore on the development of initiatives /programmes focussed on linking production with consumers. These may include the ECO schools initiative, the Community Focussed Schools policy and the Education for Sustainable development and Global Citizen Group's work.

²³ The Community Food Co-operative Programme in Wales is funded by the Welsh Assembly Government, and delivered by the Rural Regeneration Unit. The Programme aims to improve health through increasing access to locally produced, fresh, affordable fruit and vegetables, through establishing sustainable local food distribution networks. The programme, which has a particular focus on socially disadvantaged communities, works by generating efficiencies within the supply chain, linking local volunteers to a local grower, supplier or wholesaler and establishing a simple payment and delivery system.

Increasing the sustainability of public provision of food

56. There is scope for the supply chain plans already developed in the *Local Sourcing Action Plan* to be enhanced by ensuring that :
- food education in schools is based on the adoption of a “whole-school” approach;
 - initiatives are introduced to use the public canteen as a venue to educate people about the benefits of sustainable healthy food choices;
 - core education on sustainability includes the issues surrounding food production and distribution; and
 - education is provided widely throughout the industry aimed at increasing understanding of the causes of food waste and how it can be reduced.

Linking food production to culture and marketing

57. The Strategy encourages building on partnership working between the Welsh Assembly Government, key industry stakeholders, and the industry more widely, to continue to stimulate and develop the food culture through measures that connect people with how food is produced through measures that:
- promote the value and status of the Wales the True Taste Awards;
 - encourage industry and retailers to play greater role in educating consumers;
 - increase awareness of direct sales opportunities; and
 - promote and enhance food events and media participation.
58. The True Taste Awards should be encouraged to build on achievements so far in order to increase the opportunities for direct sales to consumers around the country. Food champions operating at different stages of the supply chain (i.e., producers, processors, caterers, restaurateurs, etc.) should be encouraged and supported in their efforts to inspire and mobilise communities about food.

The True Taste Champion 2010-2011 Simon Wright

Food writer and broadcaster Simon Wright jointly owns the restaurant Y Polyn, in Nantgaredig, near Carmarthen. The idea that good food need not be expensive shaped Simon's thinking and was no doubt an influence that helped shape his career – from being AA Restaurant Guide editor to becoming a restaurateur, broadcaster and occasional farmer.

He is very optimistic about the future of Welsh food and the success of Welsh food production, but unhappy about the ignorance that exists about our food and where it comes from. “We need to teach children about food. They need to understand where their food comes from, where to buy good quality food and how to cook it. In fact we need to bring back cookery lessons into schools”.



(c) KEY DRIVER 3 - Sustainability and well-being



Principles

- The Food Strategy emphasises the development of sustainable food chains that have ecological efficiency at their heart;
- The food sector has a responsibility to maximise its contribution to domestic climate change mitigation and adaptation; and
- The Food Strategy recognises Wales' moral responsibilities in a globalised food system.

Healthy eating

59. This Strategy emphasises the production and development of food that contributes to a healthy balanced diet, to improve the well-being of our people. It is central to the objectives of sustainable development to enhance the economic, social and environmental wellbeing of people and communities, achieving a better quality of life for our own and future generations.
60. The amount and type of food that people eat, as well as the way it is prepared, can play an important role in protecting and improving health. Overall, it has been estimated that around one third of deaths from heart disease and a quarter of deaths from cancer in the UK can be attributed to the food and drink consumed. Food Matters²⁴ concluded that 70,000 premature deaths could be avoided annually if, in the UK, diets met nutritional guidelines. Diet related ill health costs the NHS an estimated £8 billion a year and obesity alone is estimated to cost the wider economy £15.8 billion. Some of this health burden has been linked with the consumption of red meat and dairy products, but there is also good evidence that reduction in meat consumption leads to reduction of essential trace elements (e.g. iron, and some vitamins) below the recommended levels in the UK diet.
61. Only 36% of adults report eating the recommended five portions of fruit and vegetables (Welsh Health Survey 2008). The food system should help to reduce the economic drain on healthcare costs of diet related diseases and the cost to the wellbeing of our citizens of these diseases. To support people to change their behaviour to eat more healthily we need to ensure that healthy choices become the easiest option. The Strategy supports work that is underway, particularly in the public sector, to increase the availability and marketing of healthy options.
62. Food in schools is being improved through the roll out of Appetite for Life, and guidance on healthy eating has been issued for early years' settings, youth clubs and leisure centres. Hospitals are being driven to be exemplars of good practise with initiatives such as the All Wales Nutrition Care Pathway and Health Promoting Hospital Vending. The work in improving food in hospitals, care homes and community settings is helping to address the issue of malnutrition in older people and supporting them in eating well. These initiatives are creating opportunities for companies to respond to a changing market and be at the forefront of providing healthier foods to meet the demands of this developing market whilst contributing to improving the health of all our people.
63. Initiatives such as those cited above are central to the Welsh Assembly Government's new *Child Poverty Strategy and Delivery Plan for Wales*, which was launched for a three month period of public consultation on 12 May 2010. The new Child Poverty Strategy is underpinned by the 13 Broad Aims of the Children and Families (Wales) Measure and includes a commitment to reduce inequalities in health between children and between parents of children (so far as necessary to ensure the wellbeing of their children). The new *Child Poverty Strategy* sets out a series of priority policy actions – which includes

²⁴ Food Matters: Towards a Strategy for the 21st Century, Cabinet Office July 2008

“more emphasis on policies designed to improve nutrition amongst children and young people living in low income households” and “more emphasis on educating parents about the importance of diet and exercise”²⁵.

Environmental sustainability throughout the food sector

64. Food production and provision have a significant ecological footprint. Wales’ ecological footprint in 2003 was 5.16 global hectares (gha) per person but the biological land actually available on a global level is 1.8 gha per person. Food accounts for 20% of the ecological footprint in Wales²⁶. Other food related activities create an additional impact on the ecological footprint of travel and energy. These include cooking, refrigeration and travel to the shops. The Report on the ecological footprint concluded that the supply chain accounts for the largest proportion of the ecological footprint associated with food consumption activities. This means that people’s food purchasing decisions have significant impacts on the ecological footprint as a whole. In addition expenditure on catering has a large impact on the ecological footprint of food. Based on scenarios it was estimated that reducing food waste may reduce the food footprint by 7.2% between 2001 and 2020.
65. Reducing this impact will be essential to meet the climate change commitments set out in the UK *Low Carbon Transition Plan* and *One Wales: One Planet Strategy* document and to conserve natural resources such as energy, land, water and soils. Following this direction already, the *Wales Spatial Plan* (WSP) has ensured that ecological footprint information has been published for the six WSP areas.
66. Ecologically efficient food supply chains will look to minimise inputs, energy demand, greenhouse gas emissions and waste while producing and delivering safe and nutritious food. The emphasis will be to embed good practices across the chain while also adding value for local and regional producers and processors.
67. Overall, agriculture contributes around 11% of Wales’ total greenhouse gas emissions, and based on UK data, food manufacture, transport and retail emissions account for another 5.5%²⁷. Assuming this breakdown can be applied in Wales, based on the annual agriculture (primary production) emissions of 5,200 kilo tonnes carbon dioxide equivalent (CO₂e), the food processing and distribution emissions amount to a further 2,600 CO₂e. *Wales’ Climate Change Strategy*²⁸ sets out how to reduce these emissions to meet the overall target of reducing emissions annually by 3% from 2011 onwards.

²⁵ The new Child Poverty Strategy sets out the Assembly Government’s vision for tackling child poverty in Wales. Its accompanying Delivery Plan sets out the policy action and commitments designed to deliver this vision. The Child Poverty Strategy and Delivery Plan for Wales were issued on 12 May 2010 for a three month period of public consultation. <http://wales.gov.uk/consultations/childrenandyoungpeople/cpStrategy/?lang=en>

²⁶ Wales’ Ecological Footprint – Scenarios to 2020. Stockholm Environment Institute Report to Welsh Assembly Government 2008

²⁷ Scoping studies to identify opportunities for improving resource use efficiency and for reducing waste through the food production chain AEA. For DEFRA February 2007

²⁸ <http://wales.gov.uk/docs/desh/publications/101006ccstratfinalen.pdf>



68. Improving water efficiency is an important component of adapting to climate change for primary producers²⁹. As well as the embedded water contained within food imports, it is worth acknowledging that there are large quantities of embedded water associated with primary food production closer to home. For example, Welsh milk production in 2006 of 1,550 million litres required 1.7 billion cubic metres of embedded water. This figure did not include the water used in processing, distribution and marketing.
69. Additionally, food and drink related sectors account for the largest commercial water use in Wales³⁰ as well as potentially having high energy use for heating water. Water efficiency will also play an important role in helping mitigate emissions from this sector.
70. In addition to meeting commitments to renewable energy generation, lower-carbon based and other green technologies, this approach recognises that the food sector has a strong role in creating environmental goods and services through the careful husbandry of natural resources and the provision of carbon sinks and renewable raw materials.

²⁹ The Water Resources Strategy for Wales outlines future pressures on water resources and agriculture <http://www.environment-agency.gov.uk/research/library/publications/40731.aspx>

³⁰ Catering and tourism, agriculture and the food and drink industry are three of the four highest consumers of public water supply, excluding household water use and based on Dwr Cymru Welsh Water data.

71. The 'Capturing the Potential: A Green Jobs Strategy for Wales'³¹ is an important delivery mechanism of the Sustainable Development Scheme, One Wales: One Planet. It aims to enhance competitiveness and profitability, stimulate demand for a low carbon low waste society and strengthen the low carbon energy sector in Wales. *The Green Jobs Strategy* is organised into three high level priorities: supporting business, fostering innovation and technology, and investing in a more sustainable economy.

Strong linkages to Sustainable Development Strategies

72. There are strong linkages between the food sector and sustainability in other areas also. A prime example is that of food waste. The strong push in *Towards Zero Waste*: to waste minimisation as a first priority has strong resonances with the Food Strategy, given that food waste generates over 30% of the total ecological footprint impact of commercial and industrial waste in Wales³².

73. Food policy can offer a strong lead in this context through an emphasis on:

- waste minimisation, including portion control and effective food storage;
- packaging reductions and recycling;
- greater business responsibility for waste production; a strong emphasis on waste composting; and
- turning waste into energy, bio-gas and anaerobic digestion

74. Again, the benefits manifest themselves in cost and raw material savings, organic waste and greenhouse gas reductions, and better secondary resource use. For example the Land Use Climate Change Group commissioned work to identify potential GHG efficiencies in Welsh food supply chains. Using Life Cycle Analysis (LCA) techniques, the study calculated the embedded carbon (CO₂e) in some Welsh food exports, focussing in the first instance on lamb meat, milk and cheese, potatoes and strawberries³³. The study showed a considerable scope for GHG emission reduction in all five food items. The modelled interventions gave rise to GHG reductions respectively of 32% for lamb, 55% for milk, 42% for cheese, 45% for strawberries and 136% for fresh potatoes.

75. *The Wales Spatial Plan 2008* update contained a commitment for each Spatial Plan Area to develop plans to move towards becoming a low-carbon region. The Sustainable Development Commission was commissioned to produce a report (*Low Carbon Wales: Regional Priorities for Action*) with recommendations about how best to achieve that goal. Supporting the report is a Resource Bank acting as a reference guide for Spatial Plan Area Groups and wider stakeholders. The document provides background information on a wealth of low carbon solutions alongside case studies, tips for replication, and recommendations for delivery through the Wales Spatial Plan Groups.

³¹ See Capturing the Potential: a Green Jobs Strategy, Welsh Assembly Government, 2009.

³² P57, *Towards Zero Waste: One Wales: One Planet, The Overarching Waste Strategy Document for Wales, June 2010*

³³ <http://wales.gov.uk/docs/drah/publications/100310landusedclimatechangegroupreporten.pdf>

76. The general principles of a low carbon diet are eating local, seasonal food, wasting less food, minimising energy used in cooking and storage, taking fewer trips to the supermarket, and ensuring that a balance is achieved on carbon intensive food such as red meat and dairy products.

77. Alongside the "provisioning services" of land-use activities – food, wool, timber and, more recently, biofuels – the management of land supports a supply of regulating ecosystems services, which include climate regulation, water quality, flood protection, surface flows and ground water recharge, and absorption of waste products.

78. Soil and plant stores in Wales are currently estimated to hold 547 million tonnes of carbon, with 80% stored in upland soils and grasslands. The EU policy for soil is set out in the *Thematic Strategy for Soil Protection* adopted in 2006. This Strategy aims to encourage improved efforts made to better manage carbon stores in soils, and also to increase efforts to increase sequestration. From 2012, the new Glastir sustainable land management scheme will provide support to farmers to mitigate against greenhouse gas (GHG) emissions and maintain and enhance water and soil quality, as well as the more traditional objectives of agri-environment schemes to protect and improve wildlife habitats and historic and landscape features.

79. The Wales Fisheries Strategy³⁴ has the aim to support the development of viable and sustainable fisheries as an integral part of coherent policies for safeguarding the environment and is supported by annual implementation plans³⁵ that seek to deliver the aims of the strategy. Welsh fisheries include aquaculture, commercial fisheries, and recreational fisheries. Shellfish cultivation – particularly of mussels – is a major activity. Freshwater fisheries are mainly focused on salmonids, sea trout, eels and elvers. Commercial fishing at sea includes activities covered by the European Commission's Common Fisheries Policy (CFP) but the primary focus of the fleet that fish out of Wales is sea bass and shellfish, predominantly crab and lobster. Intertidal fisheries for cockles and mussels are important from a commercial and heritage perspective for Wales. Seasonality is important in achieving sustainability and the supply of good quality fish. This is managed primarily through legislation and through other means, for example, the Assembly Government published a leaflet³⁶ illustrating when and where seasonal Welsh fish is available.

Local Sourcing/Co-operatives/Community Farms

80. Issues such as seasonality, embodied energy in the production of food, and food miles, may not loom large in the considerations of mainstream consumers when making food choices. However, should major, dramatic international events, such as crop failures, force global climate change onto the public consciousness, this situation may change. Expectations of a continuing gradual reduction in world commodity prices have been replaced by concerns about major increases in staple food prices – a consequence of increasing water shortages, higher energy costs, population growth and, of course, climate change.

³⁴ <http://wales.gov.uk/about/programmeforgovernment/strategy/publications/environmentcountryside/fisheries/?lang=en>

³⁵ <http://wales.gov.uk/topics/environmentcountryside/foodandfisheries/fisheries/walesfisheriesstrategy/implementationplan/implementationplan/?lang=en>

³⁶ <http://wales.gov.uk/topics/environmentcountryside/foodandfisheries/fisheries/directoryoffreshfish/freshwelshseafoodleaflet/?lang=en>

It is important for us to understand and track the exposure and resilience to threats and challenges within the food system³⁷. It must be recognised that food miles are only part of the GHG footprint, and it is important to also encourage a focus on eating foods in season.

81. Trade is essential for the resilient supply of food, given the variability of supply because of factors such as weather and diseases. A trading system also helps to ensure that food is grown in the most favourable places for efficient (including in GHG terms) production. Of course, there is a major issue of balancing supply and demand; in normal seasonal conditions, supply will exceed demand, otherwise we are in a vulnerable position in times of poor harvests. Food miles are not universally the key driver in determining GHG emissions of a food. Welsh exports are of great value here, both to those whose production is potentially impaired by climate change and to those whose development trajectory favours an increase in the consumption of these items to improve their diets.
82. Local food does not necessarily always have a lower carbon footprint than imports. However there is clear evidence that a combination of seasonal food and enhanced local supply could have significant GHG mitigation effects. For example, while acknowledging that they are unlikely to totally replace the bulk food purchases from the major supermarkets chains, farmers markets have an impact on behaviour towards food. Similarly there is scope for many more local products to be included on supermarket shelves.
83. Local produce should be promoted (including in public sector procurement efforts) by using criteria emphasising freshness, and seasonality of produce.
84. Attempts could be made by local authorities to map out land under their ownership which could potentially be made available for community food growing, including community farms and gardens. Community growing has links to issues such as food culture, health and well-being, and food security. The Strategy supports the recognition of community growing within the *Community Grown Food Action Plan*³⁸ and *Strategic Action Plan for the Welsh Horticulture Industry*.
85. *Planning Policy Wales*, which contains the Welsh Assembly's land use planning policies, is backed up by a series of Technical Advice Notes (TANs). TAN 16 – Sport, Recreation and Open Space – includes advice on how the high level policies should be applied at the local level by local planning authorities and others. TAN 16 aims to further integrate the links between health and well-being, sport and recreational activity and sustainable development in Wales through the development and use of land use planning. In particular, it includes advice on allotments.

³⁷ UK Food Security Assessment. Detailed Analysis. DEFRA August 2009

³⁸ The Community Grown Food Action Plan is an overarching strategy which looks to promote, support and encourage community grown food in Wales; both among communities and for individual's growing in their gardens. The plan, developed by government and stakeholders draws together a shared plan of action to work towards improving food security by increasing the availability of locally grown horticultural produce, improve health and well being and increase the number of people interested in growing food in Wales.

Supporting fair trade and other ethical trading schemes

86. Wales was the first country to achieve Fair Trade Nation status, acknowledging the significant progress that has been made to develop awareness and consumption of fair trade products in recent years. The Wales Fair Trade Forum, funded by the Welsh Assembly Government, has driven this process by encouraging businesses and institutions to stock fair trade products. Public sector institutions, including Government offices, now routinely purchase a range of fair trade products, directly supporting small producers in developing countries.
87. The Fair Trade initiative and ethical trading schemes more generally represents a significant tool for promoting more sustainable production and marketing activities, particularly in the developing world but also closer to home. They provide both an economic dividend to producers and an educational dividend to consumers and, as such, they should play an important role in promoting a more sustainable food system.

Environmental Sustainability: Developing ecologically efficient production and supply chains

88. There is a need to build capacity within the supply system (particularly the farming and processing sectors) that will facilitate lower-carbon usage and a reduction in waste production. For example the Waste Resource Action Programme (WRAP) estimates that 8.3 million tonnes of food waste is thrown away annually by households in the UK³⁹, of which 5.3 million tonnes is considered avoidable. As an overview, the amount of food (including liquid and solid foods but excluding drink) wasted per year is 25% of that purchased (by weight). For food and drink, the 8.3 million tonnes per year of waste represents 22% of purchases (again, by weight). Nearly 40% of the total food waste is fruit and vegetables. WRAP estimates that the avoidable waste equates to emissions of 20 Mt CO₂e. On a population basis for Wales this avoidable waste is equivalent to 1 Mt CO₂e. Obviously, cutting such waste would have beneficial effects on: CH₄ emissions from landfill, total food miles and unnecessary transport, international food availability and household budgets.
89. The Welsh Assembly Government will work with each part of the food sector to support the development of the ecological efficiency of supply, building on the already existing plans where appropriate. This will include better measurement of current ecological performance within each sector (e.g. carbon footprint, water usage, waste generation and waste management) to better understand the social and environmental impacts of land use, together with the impacts of potential land use changes.

³⁹ WRAP Household Food and Drink Waste in the UK. November 2009

90. The Food Strategy supports and complements the *Farming, Food and Countryside Strategy* to:
- promote on-farm energy efficiency and the adoption of current best practices to reduce greenhouse gas emissions (e.g. by creating a specific tailored set of support services via Farming Connect);
 - encourage and promote collaborative initiatives across the supply chain to jointly improve supply chain efficiencies - including transportation, energy and water usage, and waste reduction; and
 - continually review and develop schemes to support and encourage better ecological practices (e.g. as in the introduction of Glastir land management scheme in 2012).
91. Wales now has a major opportunity to embrace a more sustainable approach to land management, and also to take account of the impacts of climate change. This approach could not only underpin the future marketing of high-quality, value-added Welsh produce but could also sustain the growth of tourism in the spectacular rural landscapes of Wales. “Well thought out environmental policies provide opportunities for innovation; create new markets and increase competitiveness through greater resource efficiency and new investment opportunities” (Wim Kok; Lisbon Strategy for Growth and Employment 2004).
92. To help achieve more ecologically efficient systems, the Food Strategy supports efforts to strengthen and develop existing infrastructure in the food system (such as small abattoirs and processing plants – including those for fisheries).
93. It is recognised, however, that there are potentially difficult trade-offs that have to be negotiated between a desire for more local production and processing capacities and the objective of reducing the overall carbon demand at all stages of the food chain system. The Strategy therefore supports continued research to enable a better balance to be found for food production, processing, marketing consumption and any waste disposal.
94. The Food Strategy also recognises the necessity to work closely with existing and emerging schemes, such as Farming Connect and the Natural Environment Framework, where there is potential to provide the food producers and processors with the tools and advice to help them make long term sustainable decisions based on our most up-to-date knowledge of ecosystems and the services which they provide. The Strategy recognises and supports industry led initiatives in this area.

Food Waste

95. Since the issue of food waste reduction is intrinsically linked to demand management, the Strategy will encourage efforts toward reducing waste production by retailers and food outlets as well as households (in line with objectives in the *One Wales; One Planet*).
96. Efforts to reduce the impact of food waste can be aided through support for anaerobic food digestion plants (such as with funding from the Strategic Capital Investment Fund) and for schemes that utilise waste food for energy.
97. As part of our *Towards Zero Waste Strategy*, plans will be developed for priority sectors. These will detail actions for businesses, communities and the public sector to deliver the policies and principles outlined in the strategy document. A wholesale and retail sector plan (*Food Manufacture, Service and Retail Sector Plan* due to be published December 2011) will look at food and associated packaging waste and ways of reducing this waste in the supply chain from manufacturer through to end user. *The Municipal Sector Plan* will look at education and behaviour change of consumers with regards to reducing household food waste. Both these plans are expected to set down actions, methods to achieve them, and robust targets that will be monitored.
98. The Welsh Assembly Government is using ecological foot-printing to measure how far it is meeting its sustainable development commitments as outlined in *One Wales One Planet*. Waste generation from consumption based activities contributes 15% to Wales’ ecological foot-print, with food waste contributing to 30% of the ecological foot-print impact of commercial and industrial waste. Reducing the impact of food waste is one of the main priorities identified in the Waste Strategy. *Towards Zero Waste* promotes prevention and reduction of food waste in the first instance and then the diversion of food waste from landfill to anaerobic digestion.

Investment in Research and Development

99. Science, research and innovation has a vital and central role to play in meeting the numerous challenges facing the food sector in Wales. The Strategy encourages private-based investment but will also encourage the commitment of public-funds to ensure that Research and Development effort, in collaboration with UK Research Councils, Government Bodies and Higher Education Institutes, is targeted at the challenges facing the food system. Work with industry and the research base to define research priorities will aim to target: renewable energy generation; yield-enhancing technologies; carbon capture and low-carbon solutions (including anaerobic digestion); waste management; other environmentally sound technologies and their applications within the food chain; reformulation of food to improve its nutritional content; and knowledge transfer and extension schemes to create strong partnerships and linkages between higher and further education establishments, research institutes and the private sector.

(d) KEY DRIVER 4 - Supply Chain Efficiency



Principles

- Supply chains that work together in open and equitable partnerships are the basis of a sustainable food system;
- Collaborative action should be fostered across supply chains, and the principles outlined in the Strategy should be widely embraced across the food supply chain;
- Supply chain efficiency should be interpreted beyond economic cost-and-benefit to include social and environmental considerations; and
- Capabilities throughout the supply chain should be enhanced so that the sector may deliver products that are competitive, match consumer needs and are produced in a sustainable manner.

Building collaborative relationships

100. The Food Strategy is focused on the needs of people and community values and aims to foster a collaborative and innovative entrepreneurial culture. This would mean a more open culture free from stereotypical barriers or gender biased approaches to the structure of the industry or the employment profile of those engaged in all stages of the supply chain.
101. Forms of horizontal collaboration can equip producers, processors and local food service companies to participate and compete better within corporate based chains. However, the inherent difficulties in fostering more collaborative and partnership-based approaches within the supply chain cannot be ignored. The Food Strategy encourages discussion of where the future collaboration could be introduced such as in the debate on the shape of the CAP beyond 2013 and planning for new and existing business expansion. This should take into account the profile of businesses (particularly the preponderance of small businesses) that currently operate in the food sector here.
102. These principles should explicitly encompass all sections of the agri-food supply chain (from producers to consumers) and all established and emerging production and value-adding sectors (from red meat and dairy to horticulture, aquaculture and coastal fisheries). The approach must emphasise the multi-functionality of farming, of food production and processing and of the countryside, and look to enhance the economic, social and biological diversity of the rural resource base.
103. Farming Connect is funded by the Welsh Assembly Government and the European Union, and is delivered under Axis 1 of the *Rural Development Plan for Wales 2007-2013*⁴⁰. Working closely with its partner organisations, it provides one to one support, knowledge, expertise, training and advisory services, tailored to the developing needs of farmers. The advice and guidance can help farming families run their businesses more efficiently and safeguard the future of their farm business.
104. As outlined already in Driver 3 (Sustainability), the Food Strategy recognises the necessity to work closely with any existing and emerging schemes, led by Government and industry, where there is potential to provide the food producers and processors with the tools and advice to help them make long term sustainable decisions based on our knowledge of ecosystems and the services which they provide.
105. An approach emphasising multi-functionality and diversity should also be linked to enhanced Welsh-provenance foods for sets of local, regional, national and international markets. Consideration must be given to improved product and service development that lead to better practices and performances at farm level and across the supply chain, which reflect improved understanding of the needs of a more diversified consumer base both in the UK and abroad.

⁴⁰ The Rural Development Plan (RDP) for Wales 2007-2013 was formally approved by the European Commission's Rural Development Committee on 20 Feb 2008).

Strengthening enterprise and promoting research and development

106. The Food Strategy aims to foster an innovative entrepreneurial culture. The approach to innovation, whilst centred on technical development and new products, should include recognition of social, public sector and organisational innovation to:
- sustain the social and economic life of communities; and
 - enhance the exposure of consumers to the benefits of enjoying Welsh food products.
107. The role of the Welsh Assembly Government's evolving Economic Renewal Programme will continue to influence the sector and to strengthen enterprise in targeted ways. This will continue to work across all sections of the industry as priorities and economic conditions change.

Skills Development

108. There are moves to strengthen the links between skills, education and food related policy across the Welsh Assembly Government with the aim of integrating development in a focussed direction.
109. The industry view is that continuing investment in skills development is crucial for improving the performance of the food supply system. To foster further expansion, the level of skill and knowledge amongst those working in all aspects of the food system must continue to be improved. A collaborative approach to food skills development should become a feature of the skills agenda following the lead of the Sector Skills Council's 'Sector Skill Agreements'.
110. The Welsh Assembly Government's Young Entrants Support Scheme (YESS) developed by the Department of Rural Affairs is designed to offer support, guidance and grant aid with the aim of attracting, and retaining the business skills and acumen of young people into the industry.
111. Young farmers represent a key factor in the sustainable development of the farming sector. This Scheme provides assistance to facilitate the establishment of young farmers (defined as being under 40) who possess adequate skills and competence and are setting-up as head of the holding for the first time. 'Setting up as head of holding' includes those who have set-up as head of holding for the first time within the previous 12 months.
112. In addition to industry and central Government involvement, there is a strong and significant role for research institutes and Higher Education Institutes in innovation and in instilling best practice. There are also three Food Centres: The Food Technology Centre (Coleg Menai), Food Centre Wales (Horeb) and The Food Industry Centre at University of Wales Institute, Cardiff (UWIC) work with start up businesses to provide advice on inception, and help with developing new products towards a market launch.

113. Each Food Centre has been established with the support of the Welsh Assembly Government to help to develop food producers' businesses. All three centres are dedicated to encouraging the development of the food sector and offer technical and practical support on all aspects of food production. Each centre has specific expertise with access to many food technology experts.

Supply Chain Efficiency - Supporting entrepreneurship and training

114. Entrepreneurial initiatives should be identified and encouraged whether within business start ups, established firms, community groups, social enterprises or the public sector. The aim here would be to provide confidence for both individuals and groups who are considering new food production solutions that support strategic goals of the industry. Where appropriate, more will be made of Wales the True Taste winners as exemplars of best practice, to develop them into mentors for other food producer and processor businesses to follow their example.
115. The Food Strategy recognises the efforts currently being made to develop skills in all the areas that relate to food - including land-based industries, hospitality, leisure and tourism, the retail industry, distribution and freight industries, and the food manufacturing and processing sector. The Food Strategy encourages continued collaboration across Government, HEFCW, Wales TUC, Job Centre Plus, Careers Wales and the Sector Skills Councils. The provision of work-based and adult learning is also encouraged.
116. In the longer term the Strategy would encourage a strong and significant role for initiatives such as the activity of the Food Centres and Higher Education Institutes research programmes in:
- fostering innovation;
 - developing food focused business degrees;
 - providing a collaborative approach to the development of food skills; and
 - disseminating and instilling best practice and experience across the food sector.

Investment in Research and Development

117. Close engagement is needed with both the providers of Research and Development funding and the institutions that can develop specific research agendas based on the strategic principles and needs of the sector both in the short and longer terms.

118. The Food Strategy will encourage the wider adoption of new technologies that may be beneficial to developing a more competitive, efficient and sustainable sector. To enable efficient sharing of technology and learning, and encourage mutually beneficial 'knowledge spill over' processes, the Welsh Assembly Government working in partnership with stakeholders and the industry will encourage all concerned to build on current knowledge sharing. It will also consider extension schemes in this context to create stronger partnerships and linkages between higher and further education establishments, independent expertise in research and development, research institutes and the private sector.

Innovation and niche product development

119. Niche innovation and development should become a key part of the food industry in order to support the broad vision of sustainable, healthy, and quality foods from Wales. To this end, the Food Strategy will encourage the development of product services for new and existing markets and encourage a strengthening of links between educational establishments and entrepreneurs.

Collaborative partnership

120. In developing local and collaborative food systems, *Food Hubs*⁴¹ should be related to the regional hubs identified in the *Wales Spatial Plan*, with the hubs encouraged, investigated and trialled:

- to create common pools of resources and knowledge that actively sustain increased collaboration and the connections between all aspects of the food sector (including consumers); and
- to alleviate supply chain 'bottlenecks' and problems of quality and supply consistency that may arise from small and dispersed producers.

121. The Strategy encourages the industry to look at the whole supply chain to identify possible efficiencies. In particular to examine ways in which collaborative initiatives across the supply chain could be encouraged to improve efficiencies and enhance competitiveness, especially in regard to the high proportion of small businesses in the food sector.

122. Extension services should play an important role in breaking down barriers and encouraging new forms of cooperation amongst producers through, for example, the active establishment of networks of producers to achieve the capacity needed to supply the public sector and/or private food service sector.

⁴¹ See Morley, A. Morgan, S. and K. Morgan (2008) *Food Hubs: The 'Missing Middle' of the Local Food Infrastructure?* (2008). BRASS Centre, Cardiff University



Sustainable Supply Chains (SSC) initiative

The SSC initiative helps small food and drink enterprises access new markets. Launched in June 2009, it is a pilot project that will run for 18 months in South Wales.

It is developing innovative ways of benchmarking and measuring sustainability in food and drink businesses and practical ways to enable industry to embrace sustainable business methods.

The initiative is currently working on a number of diverse projects with eligible businesses to demonstrate the commercial benefits that can be gained through adopting more sustainable ways of working.

Projects that are underway include:

- working with a group of wine producers to enable them to be recognised for their commitment to sustainable production and consumption;
- supporting the long term strategic development of an organic dairy co-operative through assisting with sustainable product development;
- undertaking a sustainability review of established community food co-ops and providing ways for local producers to supply this organisation.

Lessons learned from this initiative will inform future Government intervention and initiatives to support Welsh food and drink business.

(Note: SSC is a Supply Chain Efficiencies Scheme project and has received funding through the Rural Development Plan for Wales 2007-2013 which is funded by the Welsh Assembly Government and the European Agricultural Fund for Rural Development.)

(e) KEY DRIVER 5 - Integration



Principles

- The horizontal integration of food policy into other policy areas is a key element in the successful operation of the Strategy; and
- There should be vertical integration of policy affecting food to ensure that policies adopted at different levels of governance are coherent with each other and that the principles outlined in this document and promoted in the Strategy are embraced throughout the policy context.

The centrality of food to Welsh life

123. Food is so central to us all that it is no surprise that a host of social issues connect to food policy. These include:
- public health;
 - climate change;
 - regeneration;
 - social exclusion;
 - poverty; and
 - education.
124. Not all of these issues can be addressed solely through a Food Strategy but accepting that food intersects with these significant areas of public policy will allow the Food Strategy to play its part. Equally not all problems relating to food can be solved by a Food Strategy because these may be better addressed under other policy initiatives.
125. What is clear is:
- (a) that there are many diverse connections between food and other areas of public policy;
 - (b) that these must be addressed in a consistent and coherent way; and
 - (c) that where some of our aspirations conflict, we must acknowledge this openly.
126. To take just one of these areas, the relationship between food, health and well being is generally accepted. Policy initiatives stress the importance of a healthy diet in fighting the inception of major health disorders, including coronary heart disease, diabetes and certain cancers. The benefits delivered by wholesome food are obvious in this context, not only in saving costly medical interventions, but also in promoting the health of the working population and general communities well being. It is important to recognise the challenges this presents, perhaps especially in the light of evidence that lower income households would gain most from the availability of sufficient, affordable, safe and nutritious food. The availability of such food is key to improvement for this group who often find themselves unable to shop in places where cheaper nutritious food is offered, sometimes because the transport links they need are not in place.

Food and Education

In February 2010, Baden Powell Primary School in Tremorfa became the 1000th school to participate in the Welsh Assembly Government's Free Breakfast initiative. The Welsh Assembly Government makes funding available to provide free school breakfasts for primary schools throughout Wales. Around 66% of all primary schools are now offering free breakfasts to their pupils.

127. Attention needs to be given to the mechanisms that help to deliver coherence and integration. A successful Strategy must:

- achieve buy-in to its vision;
- be widely disseminated among stakeholders;
- engage with and support consumers of food; and
- promote partnership working between people working at all stages of the food chain.

Developing horizontal and vertical linkages

128. Given the range of areas relevant to the food system in which Local Authorities are active, these are particularly important in this process of collaborative working. Local Authorities can play an important role in mobilising the drivers identified in the Food Strategy and much work is already being undertaken. The Food Strategy encourages Local Authorities, other public bodies and agencies such as the Food Standards Agency and the Environment Agency, along with community groups and partnerships, to engage in high levels of activity and to think about developing our food culture and to develop a coherent, integrated and strategic approach to food planning.

129. The Welsh Assembly Government will continue to strengthen its links with the other devolved administrations, with the UK Government and the EU, and will continue to remain fully engaged on the food and agriculture agendas.

130. Over time, developments and changes to key policies influencing the sector, such as the CAP, should be taken into account and alteration in direction considered so that all opportunities can be fully exploited. This will include inter-governmental collaboration on sustainable food production, action to combat climate change, food research and development, and skills development within the food industry.

Building on good work: linking policies

131. A key feature of the Strategy is to encourage integration of disparate strands of food policy (such as nutrition, food hygiene, and food production) and to link food policies with other key initiatives (such as waste and energy minimisation, sustainable tourism and transportation). The Food Strategy will also look to play its part in promoting rural regeneration and redevelopment and the reconnection of urban centres to the rural environment through building on interest and pride in food provision.

132. Integration requires a conscious effort to construct these linkages through work with the public, with those working in the food chain and with a wide range of other stakeholders to devise a clear policy agenda. The concept of food proofing is relevant in this respect, allowing Government to overcome the debilitating effects of poor food policy integration in the public sector. Effective food proofing will allow the Food Strategy to develop into the first pan-Government Food Strategy, rather than be a Strategy that may be constrained by limited departmental budgets and remits.

Developing strong linkages between the Food Strategy and the Sustainable Development Strategy

133. As noted elsewhere in this document, there are strong linkages between the Food Strategy and sustainable development. The Sustainable Development Scheme for Wales, *One Wales: One Planet* is capable of providing the organising principles on which delivery of the Strategy can be based. Indeed, integration is a core principle of that scheme. As the document states:

“...only an approach that makes the connections between, and effectively integrates, economic, social and environmental challenges will achieve sustainable development.”

134. An example is that of food waste⁴², where the benefits of all effective strategies manifest themselves in cost and raw material savings, organic waste and greenhouse gas reductions, and better secondary resource use.

135. The LUCCG⁴³ recommended that the Welsh Assembly Government harness the resources of the Food and Drink Advisory Partnership and the LUCCG to identify and implement resource efficiency improvements between farmer and consumer through reduction of waste and energy use in the processing and distribution chain and via better consumer education. This will require detailed data collection and modelling of the demand and supply sides to assess the overall potential for GHG reduction. Such activity would need to be in partnership with industry

The key areas for cooperation will be on:

- data acquisition and analysis of the food-chain in terms of its material flows, and associated sustainability impacts. For example the LUCCG considered a limited range of commodities for life cycle analysis but excluded the processed and pre-packaged foods that form a significant part of the Welsh diet. The GHG footprint of these materials needs to be addressed – both in relation to local companies and the mass-produced items on supermarket shelves;
- identifying and assessing options for reducing the impacts through waste reduction and more efficient processes - little is known about current energy and water usage and waste production in the food production chain. There is a dearth of real data with which to map resource flows with any confidence. This sets a challenge to identify areas within the food production chain where resource use efficiency might be cost-effectively improved; and
- identifying and assessing implementation options – including public engagement, incentives and regulations. For example, work is required on ways to strengthen, shorten and make more seasonal the food chains – this from the viewpoint of reducing emissions but also increasing resilience of the food supply chain. Research on behavioural and social aspects of consumer choice is required to inform actions that can influence decisions to favour food commodities with low embedded GHGs.

⁴² See discussion under the Sustainability Driver Section.

⁴³ The Land Use Climate Change Group was originally set up in January 2009 by the Minister for Rural Affairs. The Group presented its findings to the Minister in March 2010. The report recommends a set of initiatives by which Wales can maintain its food production potential while at the same time cutting emissions of greenhouse gases. The report's emphasis is on maintaining intensive dairy, sheep and beef sectors while diversifying and increasing vegetable crops.

Food and Tourism

Tourism provides an excellent example of an area of Government influence in which food can play a key role. Good quality food and food service can enhance the reputation of Wales as a leading sustainable tourism destination. Provision of Welsh food at tourist outlets can promote economic development and boost environmental and cultural tourism. This approach can make for a tourist experience that is highly valued, encouraging the return of visitors to Wales.

The Food Tourism Action Plan encourages the use of food as a tool to increase the attractions of Welsh rural areas illustrated by the achievements of Monmouthshire and Pembrokeshire, which were the first two winners of the Food Destination Awards under the True Taste scheme.

In addition, research by the Mid Wales Food and Land Trust in 2006 concluded that, of the visitors surveyed, 82% stated that provision of good locally produced food was a very important part of their holiday experience and they would pay up to 13% extra to experience it.

(From Food Tourism Action Plan, Welsh Assembly Government, 2009)

Integration - Making the Food Strategy work across all levels of Government

136. Welsh Assembly Government policies, as well as Local Authority and public sector policies, make credible and consistent food policy statements. To ensure that overlaps, duplication and costs are minimised the Welsh Assembly Government will seek to engage and work with Local Authorities in a coherent and structured fashion to develop food policy by:

- evaluating the costs and benefits of more integrated and comprehensive food planning; and
- work in partnership to produce integrated and strategic action plans on food at the Local Authority level.

137. Once an implementation plan is in place, the Food Strategy will be subject to annual review and evaluation which will be undertaken by Government and the industry working in partnership. Progress will be assessed on quantitative and qualitative terms against the five key drivers identified in the Strategy.

Changing the Regulatory Framework

138. The delivery of the Food Strategy may involve changes to the regulatory framework surrounding food in due course. For example, legislative options will be considered that would require institutional buyers to include a certain percentage of locally produced food in their purchasing.

“Soft” approaches to change

139. Not every change needs to be a legal one. ‘Softer’ approaches, including statements of good practice, voluntary codes, better education, and public/private partnering, may prove much more effective mechanisms for delivery. This approach may be particularly effective where the goal is to integrate different policy areas. The Strategy supports a much more creative use of these ‘soft’ approaches within the implementation plans.

'Given the complexity of the wider food system it is important that evidence collection is targeted to be realistically achievable and to provide value for money'



CHAPTER 6 Implementation – the next steps

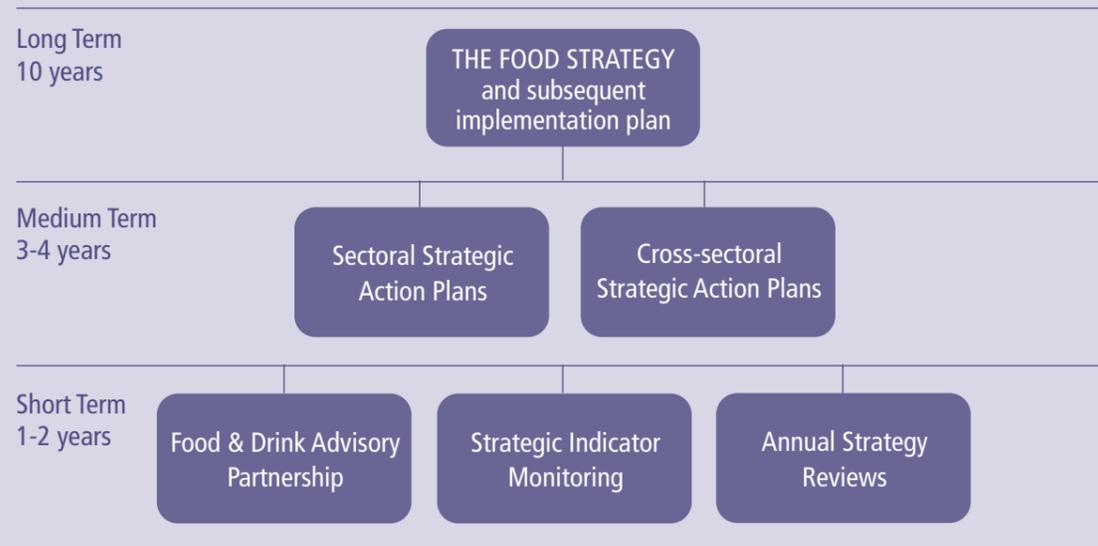
Data Usage

1. As well as working towards the principles and goals outlined in this document, the Welsh Assembly Government and the industry are keen to establish a firmer evidence base against which the food sector may be monitored and progress measured. Given the complexity of the wider food system it is important that evidence collection is targeted to be realistically achievable and to provide value for money. This data also needs to be collected and presented in a form accessible to all stakeholders, who should be able to use and adapt it to their own needs.
2. There are challenges to the development of robust data for the food sector. Although many of these challenges are common to most socio-economic activities, the breadth and complexity of the food system pose additional problems. Among other things, understanding our food system means being able to account for:
 - cross border flows of food - in UK, EU and Global context;
 - the affect of our actions on others – e.g. ploughing up grassland to produce more horticultural produce to answer food needs may result in unwanted release of soil stored carbon;
 - businesses registered in one location but operating in many (often across the UK);
 - businesses with peripheral but significant food activity (e.g. institutions with canteens, general stores, sporting events);
 - trends in consumer behaviour; and
 - the boundary between different sectors - e.g. defining the points where 'food' ends and where 'agriculture', 'waste', 'transport', 'retail', 'tourism' or 'health' begins.
3. As this document attempts to make clear, understanding the food system here also involves understanding its position and performance within a broader UK and international context. The Welsh Assembly Government will continue to work closely with the UK sustainable food indicator process to ensure that Wales is fully included in UK and International benchmarking.

Monitoring and Strategic Renewal

4. This document presents an ambitious Strategy for the development of the food sector over the next ten years. The inherent complexities, resource pressures and uncertainties in the food system restrict this document to a series of strategic visions, rather than detailed initiatives, action plans or proposals. This Strategy is designed as a working process involving a continuous re-appraisal that will be continually updated, and will be utilised to guide, and work in conjunction with, existing and future strategic action plans for the food sector and the food system more generally.

5. As the figure below illustrates, the Food Strategy is the overarching element of a broader set of policy tools for the food sector.



- 6. This over arching Food Strategy sets the direction for the next ten years. Where there is specific action identified these may be developed through close working with the food industry and other stakeholders.
- 7. There are short-term steering processes to ensure the Strategy remains relevant and effective, and in addition to the strategic indicator monitoring outlined above, the Food and Drink Advisory Partnership will continue to provide ongoing strategic oversight. There will be an annual review to monitor and update the Strategy, with all partners taking their part in the development of the food system to ensure that it continues to meet evolving challenges and to allow strategic priorities to be realigned accordingly.

Next steps

- 8. As we have established, the food industry and the food system are complex and interrelated. As we are taking this radical new approach to food policy together with our partners both inside and outside government, it has been critical to agree the direction, goals and drivers for change as a separate process to implementation. Agreeing the longer term principles of such a step-change allows us to build a more effective and focused delivery plan with appropriate timelines and milestones. Government can not deliver this Strategy alone, and the delivery plan will need to outline the key interventions for itself and industry.
- 9. The Food and Drink Advisory Partnership (FDAP) will play a leading role in agreeing this delivery plan, and the partnership approach that will implement it. The issues addressed within this Strategy are recognised as critically important, and as such the publication of a draft Delivery Plan will be the main FDAP priority in 2011.

CHAPTER 7

Summary of the aspirations and direction of the Food Strategy

- 1. Local and locality branded foods from Wales will be developed and promoted to markets in Wales, the rest of the UK, and the world.
- 2. The identity of Welsh foods will be strengthened through a distinct set of provenance indicators that convey confidence in the qualities of Welsh food.
- 3. The public sector will use the power of purchasing to support the strategic development of the food sector.
- 4. Welsh food culture will be strengthened and used to develop a steady demand for quality food that contributes to a healthy balanced diet. This is one of the most important ingredients of a sustainable food system.
- 5. Tourism will play a major role in marketing and promoting Welsh food products.
- 6. The Food Strategy emphasises and accepts that sustainable food chains need to have ecological efficiency at their heart.
- 7. The food sector will be encouraged to take responsibility to maximise its contribution to domestic climate change mitigation and adaptation.
- 8. The Food Strategy recognises Wales’ moral responsibilities in a globalised food system. This will include addressing the challenge of ensuring that everyone, whatever their income has access to the healthy balanced diet that they need.
- 9. It is accepted that supply chains that work together in open and equitable partnerships are the basis of a sustainable food system.
- 10. Collaborative action will be fostered across supply chains, and the principles outlined in the Strategy will be widely promoted across the food supply chain.
- 11. Supply chain efficiency will be interpreted beyond economic cost-and-benefit to include social and environmental considerations.
- 12. Capabilities throughout the supply chain should be enhanced so that the sector may deliver products that are competitive, match consumer needs and are produced in a sustainable manner.
- 13. Food policy will be integrated into related policy areas as a key element in the successful operation of the Strategy.
- 14. Food policy will be integrated at different levels of governance so that they are coherent with each other and so that the principles outlined in this document and promoted in the Strategy are embraced throughout the policy context.

CHAPTER 8

Glossary of Terms and Definitions

BRASS	Business Relationships, Accountability, Sustainability and Society
CAP	Common Agricultural Policy (European Union)
CFP	Common Fisheries Policy (European Union)
CO ₂ e	Carbon Dioxide Equivalent
COoL	Country of Origin Labelling
DCELLS	Department for Children, Education, Lifelong Learning and Skills
DE&T	Department for Economy and Transport
DEFRA	Department for Environment, Food and Rural Affairs
EA	Environment Agency
F&D	Food and Drink
FAO	The Food and Agriculture Organization of the United Nations
FCC	Farming, Food and Countryside Strategy
FDAP	Food and Drink Advisory Partnership
FSA	Food Standards Agency
GCA	Groceries Code Adjudicator
gha	Global Hectare
GHG	Greenhouse Gas
GSCOP	Groceries Supply Code of Practice
GVA	Gross Value Added
HCC	Hybu Cig Cymru (Meat Promotion Wales)
HEFCW	Higher Education Funding Council for Wales
HEI	Higher Education Institutions
IAASTID	International Assessment of Agricultural Knowledge, Science and Technology for Development
LUCCG	Land use and Climate Change Group
ONS ABI	Office for National Statistics Annual Business Survey
OWOP	One Wales One Planet
PDO	Protected Designation of Origin
PGI	Protected Geographical Indication
SSC	Sustainable Supply Chains
TIFF	Total Income from Farming
TSG	Traditional Speciality Guaranteed
USDA	United States Department of Agriculture
UWIC	University of Wales Institute Cardiff
WRAP	Waste Resource Action Programme

1. **Capital Formation:** The transfer of savings from households and governments to the business sector, resulting in increased output and economic expansion.
2. **Collaboration:** Collaboration is used in this document to indicate the kind of joint work and action that organisations and businesses may undertake to achieve common goals. Collaboration is used to indicate that all partners participate and contribute substantively to achieve a shared goal. In this sense all participants are seen to be active in the task at hand. Collaboration also indicates joint work that may be time-limited, is focussed on well defined and specific goals, and on goals that are outside or additional to the normal area of operation for the participants.

3. **Competitiveness:** Competitiveness is considered in business terms, where businesses may be capable of delivering affordable food around a potentially higher baseline of costs.
4. **Ecological efficiency:** The effective production and transfer of safe, nutritious food through the supply chain, while minimising inputs, greenhouse gas emissions and waste.
5. **Food and Drink Sector:** Unless noted otherwise the Food and Drink sector as referred to in this document and in most Government statistics is exclusive of farming and fishing and includes the food and drink industries including; food and drink manufacturing, wholesaling, retailing and foodservice (restaurants, canteens, catering, bars).
6. **Food Service Sector:** The food service sector comprises all outlets involved in the “provision of meals out of the home” (IGD, 2005).
7. **Food system:** The food system is distinguished from the food sector in the Strategy. The food sector refers to the commercial sector that encompasses economic activities of production, manufacturing, distribution, food preparation, retail and food service. The food system includes the food sector and the impacts of various components of the sector on the natural environment and society.
8. **Global Hectare (gha):** A global hectare is defined as a hectare with world-average productivity for all biologically productive land and water in a given year. Biologically productive land includes areas such as cropland, forest, and fishing grounds, and excludes deserts, glaciers, and the open ocean. Global hectares are the common, standardized unit used for reporting Ecological Footprint and biocapacity across time and for areas throughout the world. Because total global production changes over time, the amount of physical material produced by a single global hectare also changes over time.
9. **GVA:** Gross Value Added (GVA) measures the difference between a sector’s sales and the value of its purchased inputs. It is a measure of the value of the economy. Put simply, GVA is the value of goods and services produced by an area, sector or producer minus the cost of the raw materials and other inputs used to produce them.
10. **Local Food:** This is food that is produced AND marketed locally.
11. **Locality Food:** Locality food is related in some way to a specific location (usually through branding such as PDO/PGI) but may travel afar and sold on distant markets.
12. **Food Quality:** The Strategy uses the term ‘Quality’ to broadly refer to foods that have a character derived from good nutritional and taste standards, and that are produced by means of ecologically sound production methods.
13. **Resilience:** The resilience of a food system is a measure of its ability to assure longer-term availability in the light of increasing (global) uncertainties.
14. **Sustainability:** A sustainable food system is regarded as a system that can supply safe, healthy food, provide positive social benefits and impose low environmental impacts.
15. **Total Income from Farming (TIFF):** Total Income from Farming is income generated by production within the agriculture industry, including subsidies. It represents business profits plus remuneration for work done by owners and other unpaid workers. It excludes changes in the values of assets, including stocks due to price changes. It includes non-agricultural activities such as further processing or tourist activities where these cannot be separated from the agricultural business.



APPENDIX

1) The Food and Drink Advisory Partnership

- a. The Food and Drink Advisory Partnership (formerly the Agri-Food Partnership Advisory Group) was established over a decade ago. The Advisory Partnership has the following prime responsibilities:
 - To provide expert advice to Government on all matters in relation to food;
 - To assist with and be part of Policy and Strategy development in relation to food;
 - To monitor specific action plans; and
 - To act as “ambassadors” for the Government on food matters, but with no executive responsibilities.
- b. The expert members of the Partnership were invited into the partnership by the Minister for Rural Affairs following a public appointment process. Many of the members also chair specialist sub-groups which have on average around 20 members. This wider membership is not subject to a formal public appointment process. The secretariat and additional executive support are provided by the staff in the Department of Rural Affairs and Heritage. The groups meet 3 times per annum. Currently the subgroups deal with the areas outlined as follows – but there is a review of the structure of the partnership which may result in changes from 2011.
- c. Subjects covered by the groups include Dairy, Education and Training, Fisheries and Aquaculture, Horticulture, Organics, Red Meat and Trade Development. In addition, there are four regional groups (North, Mid, South West and South East) and these bring together companies, organisations, voluntary bodies and the public sector. Their prime task is to ensure effective communication on food issues throughout the region.

The Members of the Food and Drink Advisory Partnership:

Dr. Haydn E. Edwards	Kate Morgan
Alison Lea-Wilson	Katie Palmer
David Lloyd	Phil Stocker
Dr. Shyam Patiar	Prof. Nicholas Lampkin
Gwyn Thomas MSc (Marketing)	Prof. Peter Midmore
Huw Rees	Dai Davies OBE
Jenny Davies	Richard Parry Hughes
Jeremy Percy	Roger Hughes
Jo Hughes	Terrig Morgan MBE
Gwyn Angell Jones	

2) The Economic and Social Research Council's (ESRC) Centre for Business Responsibility, Accountability, Sustainability and Society (BRASS) at Cardiff University.

The team within BRASS commissioned to develop the strategy consisted of seven experienced academics with proven track records on a wide range of food related issues. This core of expertise had access to the wider resources of the BRASS Food group, a network of around 20 food related researchers within Cardiff University, along with the University's dedicated Research & Consultancy arm.

Members of the BRASS team:

Prof. Terry Marsden
Dr. Adrian Morley
Prof. Kevin Morgan
Prof. Robert Lee
Dr. Roberta Sonnino
Dr. Selyf Morgan
Kate Bailey